

WILLIAM

October 15, 1930.

MEMORANDUM FOR THE ASSISTANT TO THE ATTORNEY GENERAL, MR. O'BRIEN

62-24153

Pursuant to your request for the assignment of Agents to assist Mr. Oceas at Chicago on the Juice Grapes Investigation, I desire to advise that Special Agent D. DiLille of the Pittsburgh office of this Bureau has been ordered to immediately proceed to Chicago and will meet Mr. Oceas there today. Arrangements have also been made with the Chicago office to have available two Agents additional to Agent DiLille for the service desired by Mr. Oceas. Special Agent Albert Miller, who has previously made investigation of the case, will also be available to inform Mr. Oceas of any additional developments.

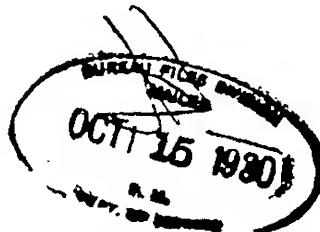
Very truly yours,

Director.

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62-24153-23

BUREAU OF INVESTIGATION
OCT 16 1930 AM
11:00 A.M.
11:00 A.M.



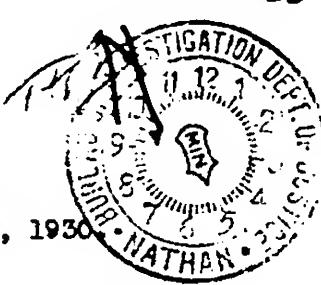
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JOHN EDGAR HOOVER
DIRECTOR

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U. S. Department of Justice
Bureau of Investigation
Washington, D. C.

October 16, 1930



MEMORANDUM FOR THE DIRECTOR

OCT 17 1930 AM

On the afternoon of the 15th instant, a telegram was received by the writer from Special Assistant to the Attorney General Oseas at Chicago, requesting that contact be made with the office of Mr. Teague, member of the Farm Board for the purpose of ascertaining the correct name and address of one Mr. Taggart, mentioned in a letter addressed Mr. Teague by Mr. Eustace, which letter had been forwarded to the Bureau some days ago by Mr. Teague. (2-2415-3)

I communicated with Mr. Teague's office and ascertained that he was out of town but learned through his Secretary that he probably had no personal knowledge of the address of Mr. Taggart. His Secretary, however, agreed to telegraph Mr. Eustace in Calif. and to advise this office promptly upon receipt of a reply. In the meantime, a telegram was forwarded to the Chicago office, advising that Taggart's initials were V. C. and that efforts were being made to learn his address.

This morning Mr. Teague's office called by telephone and stated that a reply had been received from Mr. Eustace, stating that Mr. Taggart's correct name was V. C. Taggart and that he was employed by the Fry Brokerage Company on Racine Avenue, 14th Place, Chicago in the south water market neighborhood. This information was promptly telegraphed to the Chicago office.

Respectfully,

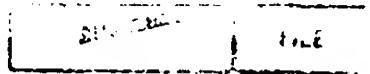
V. W. Hughes

V. W. Hughes.

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OCT 16 1930



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JOHN EDGAR HOOVER
DIRECTOR

U. S. Department of Justice
Bureau of Investigation
Washington, D. C.

October 20, 1930.

MEMORANDUM FOR THE DIRECTOR

The attached letter from the Chicago office in the matter of MANNY SCHRAIBERG, TONY ROMANO, JUICE GRAPE INVESTIGATION, describes the plan of investigation tentatively adopted at the time Mr. Oseas was at Chicago. This morning Agent Fay called me by long distance and advised that Agents Little and Miller had conferred with Charles Irrgang and perfected arrangements whereby a carload of grapes would be "knocked down" to Agent DiLillo under an assumed name. This transaction would require no transfer of money. However, Irrgang would furnish a cashier's check for \$600 to be used by DiLillo to pay the freight on the car amounting to 500 odd dollars and to defray the expected racket charge of \$50.00. The returns of sales will be placed in the bank by Agent Fay and later surrendered to Mr. Irrgang.

Upon receipt of information from Agent Fay, I advised Mr. Oseas, who in turn later saw Mr. O'Brian and has now requested that we proceed with the investigation as planned. Consequently, I have prepared the attached wire authorizing the Chicago office to proceed.

Agent Fay has been advised that the Bureau is desirous of having Agent DiLillo return to his headquarters at the very earliest practicable date.

Respectfully,

V. W. Hughes.

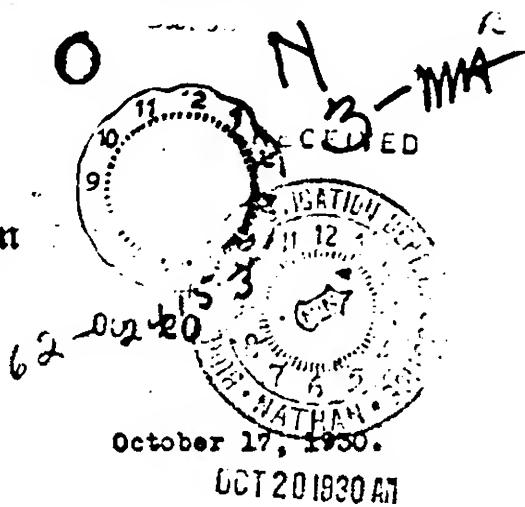
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U. S. Department of Justice
Bureau of Investigation

P. O. Box No. 1405,
CHICAGO, ILL.



Director,
Bureau of Investigation,
Department of Justice,
Washington, D. C.

RE: MANNY SCHRAIBERG; TONY ROMANO;
JUICE GRAPE INVESTIGATION;
ANTI-TRUST MATTER

Dear Sir:-

Pursuant to telephonic instructions received from Mr. Vincent Hughes on October 13th and 14th, 1930, Agents Albert Miller, L. T. Little and D. DiLillo conferred with Special Assistant to the Attorney General, Mr. I. B. Oseas, who arrived at the Chicago Bureau Office on the morning of October 15, 1930 at 9 A. M. The investigation conducted by Mr. Oseas and the above named Agents will be covered in the form of a report which will be submitted shortly.

During Mr. Oseas' visit he informed the writer that he desired Agents Little and Miller to interview approximately twenty persons, all located in the city of Chicago, and engaged in various phases of the juice grape business, and such other persons having useful information, which interviews with the foregoing may disclose. It was Mr. Oseas' idea to obtain, if possible, signed statements from all persons interviewed, and he was informed that the Chicago Bureau Office would make every effort to comply with this request.

As a result of the conference had by Mr. Oseas with Mr. Charles Irrgang, Mr. Oseas decided that Agent DiLillo could be used to advantage in conducting an under-cover investigation. The present plan is to have Agent DiLillo purchase a carload of grapes and sell them at the juice grape terminal of the Chicago & North Western Railway. It is expected that shortly after Agent DiLillo becomes engaged in the above business he will be approached and either requested to discontinue or contribute a certain amount of money for the privilege of conducting his juice grape business at the North Western Railway terminal. Mr. Oseas suggested that prior to the entrance of Agent DiLillo into this business that he (DiLillo) visit the various terminals where juice grapes are being sold and also the Auction for the purpose of becoming acquainted with the

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Manner in which the juice grape business is conducted. Mr. Oseas also requested that Mr. DiLillo should not become engaged in the juice grape business until October 20, 1930, at the earliest, as he (Oseas) wanted to talk this matter over with the officials of this Bureau.

Mr. Oseas had no definite suggestion as to the manner in which Agent DiLillo's business would be financed. However, he stated in substance that Mr. Irrgang would finance this proposition, but had no information as to the details concerning same. Mr. Oseas was also undecided as to whether it would be best to have Agent DiLillo deal directly with Mr. Irrgang, or through an intermediary.

On the afternoon of October 17, 1930, the writer had a telephonic conversation with Mr. Charles Irrgang, at which time the latter informed the writer that he had knowledge that Agent DiLillo was the man who would be used under cover in this investigation. This would seem to indicate that since the writer's conversation with Mr. Oseas, the latter has informed Mr. Irrgang as to the identity of the man to be assigned under cover. While talking to Mr. Irrgang definite information was obtained concerning the manner in which Agent DiLillo would operate. Mr. Irrgang suggested that Agent DiLillo should "get next to one of the boys buying grapes at the Auction and request him to purchase a carload for him" (DiLillo). Mr. Irrgang stated that possibly it would be necessary to pay a small fee for this service, - probably fifteen to twenty-five dollars. He informed the writer that carloads of juice grapes were selling for approximately \$1,000. He stated that he was ready and willing to furnish the necessary financial backing for Agent DiLillo's business venture, and related that the money obtained by Agent DiLillo, as a result of his selling a carload of grapes, could be delivered to an agent of this office, and in turn given to Mr. Irrgang. Mr. Irrgang stated that he was not interested as to whether or not the juice grapes could be sold at a profit by Agent DiLillo.

At the time the writer conferred with Mr. Oseas, prior to his departure from Chicago, Illinois, he stated he expected to return to Chicago about November 5th or 6th, 1930. He requested that he be immediately notified when Agent DiLillo enters the juice grape business, and further, that he be kept advised as to any unusual events which may arise therefrom. The writer advised Mr. Oseas that the Bureau would be promptly advised should any unusual developments occur in this connection.

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Mr. Oseas also suggested that, if possible, Agent DiLillo pay tribute on two or three occasions, as demanded, and suggested that corroboration, if possible, be obtained in all instances where Agent DiLillo is approached by any person or persons engaged in interfering with the sale of juice grapes at the North Western terminal. At this time it is the intention of the writer to have Agents DiLillo and Palmera (the latter, it being advised, will report to this office for assignment on October 18, 1930) go into the juice grape business on a partnership basis in an effort to obtain the corroboration desired by Mr. Oseas.

The substance of the foregoing information was related to Mr. Vincent Hughes by long distance telephone on the afternoon of October 17, 1930, and as per instructions received at that time, this office will suggest that Mr. Irrgang draw a check in the amount necessary for the purchase of a carload of juice grapes, which will in turn be converted by this office into a cashier's check and used at the time the carload of juice grapes is purchased. Mr. Irrgang's check will be drawn in a sufficiently large amount to include the fee which may be charged by the person purchasing the juice grapes for Agent DiLillo, and also to cover the \$50 tribute, which it is thought may be requested. Both of the latter transactions, of course, will have to be paid in cash, and this cash will be obtained as change at the time the cashier's check above mentioned is tendered in payment for the carload of juice grapes. Inasmuch as Mr. Oseas desires that Agent DiLillo pay tribute, if possible, on two or three occasions, the foregoing procedure will be repeated as often as is necessary. It is also Mr. Oseas' idea to pass marked money at the time the last tribute is exacted and immediately thereafter have the person or persons exacting such tribute taken into custody. Nothing definite, of course, can be decided upon this phase of the case at the present time, as it is not known what circumstances will arise in the course of the investigation. However, you may rest assured that the Bureau will in no way be embarrassed by the action taken by the Agents assigned to this matter.

Agents DiLillo and Palmera will be duly impressed with the fact that they are to do nothing which may form the basis for a defense of entrapment at a subsequent date.

- 4 -

The writer has endeavored to lay before you the present status of the foregoing investigation and if anything in the aforementioned plan of procedure does not meet with the approval of the Bureau, or if the Bureau desires to issue further instructions with respect to the conduct of this investigation, same will be greatly appreciated by this office. This office will endeavor to keep the Bureau constantly informed as to further developments, as they arise, in this investigation.

Very truly yours,

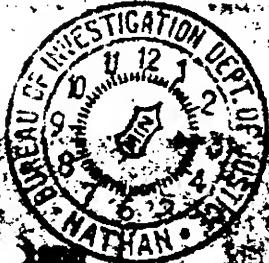
F. X. Fay

F. X. FAY,
Acting Special Agent in Charge.

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62-24153-25

WILLARD

RECORDED
OCT 21 1930

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OCT 21 1930 PM

H. M. COLEMAN
FEDERAL BUREAU OF INVESTIGATION
DEPARTMENT OF JUSTICE
FEDERAL BUILDING
CHICAGO ILLINOIS

YOUR
PLAN DESCRIBED/Letter SEVENTEEN AND PHONE CONVERSATION WITH HUGHES TODAY APPROVED

JOHN EDGAR HOOVER DIRECTOR

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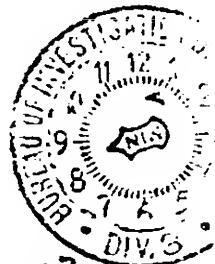
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U. S. Department of Justice
Bureau of Investigation

CHICAGO, ILLINOIS
P. O. Box 1405

RECEIVED



October 17, 1930

DIRECTOR,
Bureau of Investigation,
Department of Justice,
Washington, D. C.

Dear Sir:

Manny Schraiberg; Tony Romano; Juice
Grape Investigation- Anti Trust

There are transmitted herewith two
photostatic copies of editorial page of the Pacific
Rural Press, San Francisco, California, dated October
11, 1930.

Attention is respectfully invited to
the editorial appearing under the caption "Chicago
Racketeering and California" and to the statements
therein contained which relate to the investigation
now in progress in this office in connection with the
above entitled matter. The enclosures are submitted
for the attention of the Department.

Very truly yours,

J. X. Fay

F. X. FAY, Acting
Special Agent in Charge

MTL/DD

60-166

OCT 24 1930

62-24153-26

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Recd by [unclear]
Oct 24 1930
K. J. Dees

Ack-194/30
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MAB

PACIFIC RURAL PRESS

THE CALIFORNIA FARMER

Is Out Every Week at 60c Howard St., San Francisco
The American Office, 1000 California Blvd.

Entered at San Fran Post Office as Second Class Mail Matter.
Published by the

PACIFIC RURAL PRESS COMPANY
John E. Pickert, President D. L. Kneller, Sec.-Treas.
R. E. Hodder, Los Angeles Manager

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Advertisers and subscribers can make checks or money orders
payable to the Pacific Rural Press Company, San Francisco.

PACIFIC RURAL PRESS SAN FRANCISCO
ONE PAPER PER YEAR IN ADVANCE
For 1931, \$1.00 per year. Postage, 15c extra. \$1.15 in
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Member of Associated Farm Papers



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Chicago Racketeering and California

"I still believe Al Capone can't give the State of California a lot of trouble," remarks the California man.

One of the poor goods, he says, was loaned to him by his neighbor.

The home, "Poor and Bleached."

And the Santa Feans took to introspection of their affairs.

They have no suspicion that racketeering in Chicago has had nothing to do with California.

Because the racketeers, in effect, have been instrumental in getting rid of the second largest

And likely the drayage tolls also include some racketeering charges.

And doubtless there are many tolls other than those.

So far as legal attention does it not

THURSDAY Daily News of September 23 has a very interesting story about Al Capone and his racketeering government of Chicago.

The article uses many names, both of racketeers and of their lawyers and collateral interests.

It indicates that policemen dealt with racketeers for whom the police are looking, and apparently the book is such as the policemen cannot see the racketeer well enough to identify them.

Men come the city with hooded faces collecting while evidently the newspaper men meet them on the street and talk to them.

Here is a little of the News article. Wish we had space to reproduce all of it:

The main source of revenue in the beer and liquor business:

Take Grady, implying the Loop instinct, the main beer house of the day, in which the Illinois brewer, beer and liquor, had withdrawn in the day when the both took orders from Capone. Turn to "Now he dwelt in one of the four downtown hotels, a station of influence, a city and for eight the most feared, which he is still headed towards."

Or take his intimates between and his up-and-they-mothers, "there has been, and who can estimate, the last two years, a million dollars to come from the same. Who owns it, the whisky and beer?"

And he too, Harry Clegg, "Bugs" or "Gentleman Harry" and Harry Clegg, the man to turn to. His political representative, for the lone Harry and Harry are known by those with knowledge the names of the loop politicians. Even where they are separated for a purpose, they still use them with sufficient distinctness to identify them. They move about with the cushion of a fraction more, with effort, of concealment, scarcely surprised by a brass band marching down a busy street.

They do such collecting, it is noted, to satisfy do all the collecting. Money finds them regularly in the loop. Monday finds them but the police don't.

CONTINUED POWER, and many times bad conduct may well be kept on Chicago when the flood comes with peace more than five million people. They remain the best bank the country has in the treasury of the

canned good.

Good luck to the endeavor.

Henry Heilman, formerly of the State Market Other times made theory about this financial situation a lot of response among cooperatives of the Middle West.

"If you do it you will make the middlemen aware," some can say.

Possibly. But whom are we trying to please, the middleman or ourselves?

Perhaps we endeavor to the middleman to the right cut and down with his cooperation. The anything else?

Light Needed on Fish and Game Policies

A COMMISSIONER of the Department of Fish and Game, Dr. Charles E. Hart, has issued a circular to the states and territories asking for their views on proposed legislation.

The circular, dated Sept. 1, 1931, asks for the views of the states and territories on proposed legislation to regulate the importation of fish and game products. It also asks for the views of the states and territories on proposed legislation to regulate the exportation of fish and game products.

A recent law, the Fish and Game Protection Act, makes it illegal to import fish and game products from the United States to foreign countries.

The circular also asks for the views of the states and territories on proposed legislation to regulate the importation of fish and game products from foreign countries to the United States.

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California

"Well, fellow Al Capone, seems to give me California a lot of trouble," remarked the Californian.

"Yes, the poor bootleggers get one hell of a share in his trouble."

"Ho-ho! Poor old Capone!"

Are California bootleggers to introspection of our author:

And yet it appears that racketeering in Chicago is a local affair for California.

Because the racketeers exact a toll of \$40 on every car of grapes sold in the second largest market in the country.

Because grapes are used for wine making, the racketeers probably figure that California will not growling in private.

And maybe they don't care if California does drink now, the racketeers are bigger than Chicago in power and they may think they are never from any more state.

For the \$40 toll on every car of grapes is collected and collected. If you want to get along without a little trouble of the racketeering variety, you try it.

Of course the money is deducted off the buyer of the grapes, but that means that the majority of the first part pays the bill. The price to party of the last part is always the farmer's usual toll, he's only a baby.

AND the racketeers' toll is not the only one in Chicago, the toll city.

There is a \$10 switching charge in Chicago which hits many grapes.

Grapes come into that city over many lines; they are yarded by themselves. If they are sold and switched back to the same railroad over which they come in, well and good, but if it is necessary to switch them to some other line for convenience, the \$40 toll depends on the ear. H. J. Hartman, the market chief of California observes these things in a trip around the markets in Chicago.

Just why the \$60 switching charge for grapes, while other fruits and vegetables pay only \$12.50 a car, no one seems to know. Seemingly no one has troubled much to protest. It would appear to be time to raise a question here.

Obviously, tolls like this find their way back to the grower in the price the buyer is willing to pay.

A toll of \$50 for the racketeers, plus a possible \$60 switching charge is \$110 per car.

Pretty heavy toll in the toll city of Chicago.

Even so, the grower does not mind the toll because they have almost won the protection of a local syndicate with whom it is conceivable to expect a sum of \$40 or more paid in racketeer taxes.

They do nothing during a dry season, and then tax all the interests. Monday and Tuesday usually in the loop. Monday finds them but the police think:

CHARLES R. ROWELL, home and garden Times that racketeering will be stopped in Chicago when the "good" citizens will prove more than they want bones. So long as they demand the liberty of a drink they will have the "license" of the racket.

Perhaps most of us have thought of it as a local problem. But it is more than that.

If the racketeers exact toll on grapes how long will it be before they demand it on other fruits and vegetables?

What started out to be a toll on one law turned out to be general laws now. Or maybe a man of problems, it gradually turns an economic one.

Racketeering is inherently in heavy transportation and switching, the toll at times a toll, the practice of growing grain is inevitable.

It is said that in Chicago a cleaner and drier does not "pay in" on the time" some one might spendle and over the clothes of his customer and bring him to time.

The practice of "paying in" grows.
Where will it stop and when and how?

FROM time to time this paper has made a instance of itself, where they that there are other markets in the United States beside New York, Chicago, Philadelphia and Boston.

There is a market beyond Postunkville—the market of the farmer.

This year we for it have sold a lot of peaches on the sales of the country for home canning. But no one took the problem up.

We might sell table grapes that way if we tried.

We could probably sell a world of dried fruits in 10 and 20 pound boxes to the farmers of this country if we set out to do it in an intensive way, but we do not do it.

There are a world of farm cooperatives in this country that might take a load of our farm products if the thing were pushed. Such a project would not have to pay so many tolls as Chicago exacts.

R. E. Laney, of the Sutter Cooperative Growers, is sending a man into the Middle West small towns to try this very thing in the matter of

protecting our agriculture. He is to go to the banks and tell them:

If the majority of the farmers in your community are willing to agree to whatever it takes to keep the cost down and have an active and effective defense of the economy.

Protection against the racketeers must be provided. It can be done by cooperation by individuals. It can be done by the government. It can be done by producing with the maximum effort. That is for each creature.

It has been claimed many times that the government public agencies have good. But that is not true.

In the case of the post office, for example, it is not true. The mail is not delivered to the people.

The mail is not delivered to the people.

Murder—Official and Unofficial.

SIXTY years ago yesterday, from April 10, another person died in Chicago, but for money.

It was not a day of violence, the man was not the victim of a gun, knife or fist, but clubbed to death with a baseball bat.

At least, the man to whom he was a slave to, clubbed up and beat him to the death, and clubbed him to death, but it is not known exactly what this death was, except that he died at the new paper.

One of the presidents was assassinated, the other, his son, was beaten to death.

The man who died was the editor of the newspaper of the nation and president of the State.

The man, Edward D. Adams, was the editor of the state paper, and he was beaten to death with a baseball bat.

The Son of Perdition, as he was called, was beaten to death with a baseball bat.

However, according to the records of the boy, from time to time, of the police, it was found decent, which is only common evidence that the State Attorney, or some of his assistants, job for which he was engaged. And that, of course, a condition that should be kept secret, it may be too difficult for the records to be made properly, or the press to publish it, but it is to be kept secret, and the only secret, the intention

of the committee of the city of Chicago has been falling into the secret, and the secret is to be kept, and the only secret, the intention

62-24153-26

RECORDED
VTR: JEP

OCTOBER 21, 1930.

OCT 24 1930

MEMORANDUM FOR THE ASSISTANT TO THE ATTORNEY GENERAL, MR. O'BRIAN

Attention: Mr. Oseas,

This will confirm the delivery on October 20th to Mr. Oseas of a copy of a letter addressed to this office by Agent F. L. Fay, Acting Special Agent in Charge of the Chicago Bureau office, under date of October 17th, together with a photostatic copy of an editorial from the Pacific Rural Press of October 11th referring to the racketeering in the grape industry at Chicago.

Very truly yours,

Director.

BUREAU FILES DIVISION
MAILED

OCT. 21 1930

F. B. I.
U. S. DEPARTMENT OF JUSTICE

JOHN EDGAR HOWER
DIRECTOR

U. S. Department of Justice
Bureau of Investigation
Washington, D. C.

October 14, 1930

RECEIVED



MEMORANDUM FOR THE DIRECTOR

OCT 15 1930 AM

With further reference to the request of Mr. O'Brian made to the writer on the 13th instant to have Special Agents assigned to cover the Northwestern Railroad Yards at Chicago under cover for the purpose of observing the activities of the gangsters there in collecting tribute from purchasers of grapes, I desire to advise that arrangements have been made to have Special Agent D. DiLillo of the Pittsburgh office at Chicago on the morning of the 15th instant to meet Mr. Oseas of Mr. O'Brian's division who is leaving this afternoon for Chicago. The Chicago office has been advised to have present tomorrow morning Special Agents Little and Scanlon as well as Agent Albert Miller. Mr. Oseas desires to obtain certain additional information from Agent Miller who has previously investigated the case and he may probably use either Agent Scanlon or Agent Little with Agent DiLillo in the Northwestern Railroad Yards.

Mr. Oseas plans to have the work in the railroad yards continued for only several days because it is believed that by that time he will be able to ascertain just what is going on at the yards. However, in all probability, he will want the Agents to assist him in making some additional interviews and Agent Albert Miller no doubt will be used for that purpose.

170-171

Respectfully,

62-24153-27

V. W. Hughes.

OCT 15 1930

Chicago
10/12/32
10457

Please see that the work in
the yards does not extend
beyond the period of one week &
that the agents on it are then returned
to their offices. We don't want another
Tobolski - Poultry case affair.

62-24153-27

TELETYPE

OCTOBER 12, 1930.



RECORDED

Agent in Charge,
P. O. Box 1406,
Chicago, Illinois.

Dear Sir:

With further reference to the investigation of the Juice
Crates situation at Chicago, I desire that you write promptly upon
receipt of this letter, advising of all developments to date.

Pursuant to request of Mr. Oceans by telephone on the
afternoon of the 16th instant, Special Agent Palmera of New York
has been instructed to immediately proceed to Chicago, and will
arrive there on the morning of the 18th instant. He is to be used,
of course, to accompany Special Agent Delille. It should be borne
in mind that both Special Agent Delille and Special Agent Palmera
are not to remain in Chicago indefinitely on this case. They are
assigned there solely to conduct under cover investigation at the
Railroad Yards, and it is not contemplated that they should remain
at Chicago, particularly in view of the fact that Special Agents Willow
and Butterworth at your office are familiar with the case to date,
and perhaps by this date Agents Scanlon and Little are also probably
fully informed.

I will, of course, confer with Mr. Oceans upon his return
to the Department tomorrow, but desire that you keep carefully in
mind the fact that Special Agents Delille and Palmera are to be
released at the earliest practicable date, and should not perform
any work other than that which specifically requires their type
so that the Agents of your office may continue the matter when
they are released.

Very truly yours,

Director.

FILED AND MAILED
OCT 18 1930

D. M.

JMK

JOHN EDGAR HOOVER
DIRECTOR

62-27153

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U. S. Department of Justice

Bureau of Investigation

Washington, D. C.

RECORDED
OCT. 21 1936

OCT. 18, 1936
10:21

MEMORANDUM FOR THE DIRECTOR



With further reference to the JUICE GRAPE INVESTIGATION at Chicago, I desire to advise that this morning I had a conference with Mr. Oseas who left Chicago yesterday. Mr. Oseas stated there is no doubt whatever that there is a racket in the juice grape industry at Chicago, that it is controlled absolutely by certain gangsters, that the greater part of the shipment of grapes from the West Coast is routed to the tracks of the Northwestern Railroad, where the disposition of the grapes is entirely under the dominion of Italians. Mr. Oseas stated that he personally visited these tracks on Thursday of last week when there were 160 odd carloads of grapes being sold, that among the many hundreds of people, both sellers and purchasers, he did not see a half dozen persons of other than Italian origin, and had, therefore, concluded that it would be utterly impracticable for anyone other than an Italian to attempt to learn what was going on.

He stated further that he had conferred several times and at length with CHARLES IRRGANG who made the original complaint to the Department, and had discussed ways and means of ascertaining the facts in an effort to take some action. Irrgang advised that it would be utterly impossible to expect any persons engaged in the racket to talk; that several weeks ago a raid had been made by the State's Attorney's office on the Northwestern Railroad tracks and a considerable number of the vendors of grapes had been arrested and interrogated but nothing was learned from any of them. They do not refuse to talk but they know nothing concerning a racket when they are interrogated.

Mr. Oseas stated that Irrgang volunteered to furnish the funds for an Agent of this Bureau to enter into the grape business; that is, to actually purchase a carload of grapes through his (Irrgang's) auction, then to move that car to the Northwestern Railroad tracks for sale by retail by our Agent. Mr. Oseas stated that after discussing the matter with Irrgang and with the Agents at the Chicago office, he had concluded this was the only means of obtaining any information of value and tentative plans had been made along these lines.

Mr. Oseas stated further that he had interviewed the President of the Northwestern Railroad who lent a very sympathetic ear to the complaint and stated that it had been on his suggestion that the raid was made by the State's Attorney's office several weeks before but that the raid had been absolutely futile as far as results were concerned. The President of the Railroad arranged that Mr. Oseas

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would have a conference with the Railroad official in charge of the unloading of the tracks where the grapes are sold. This official talked freely apparently to Mr. Oseas and stated that he knew that the business was absolutely under the dominion of the racketeers but could offer no evidence to support that statement, other than circumstances at the tracks. Mr. Oseas stated that in view of the absolute dominion exercised by the racketeers, it could hardly be expected that anyone would voluntarily testify against them. It had been our impression that the racketeers had confined their activities to the tracks of the Northwestern Railroad and while Mr. Oseas ~~referred~~ ^{confirmed} that impression, it was found that the reason for this was that no one would buy from the other tracks so apparently the racketeers have brought about a condition which permits of the purchase of grapes only at the Northwestern tracks where they do have absolute sway.

I inquired of Mr. Oseas what the plans were with regard to the handling of the money which might be furnished for Agent Di Lillo to make the purchase of grapes and account for the return of sales. He stated that that had not been definitely decided upon and requested me to notify the Chicago office to have the Agent see Irrgang again on Monday and perfect these plans. He stated that arrangements had been made to have a further conference with Irrgang after Agent DiLillo had learned something about the grape business at Chicago; that DiLillo has now had Thursday, Friday and Saturday and will have tomorrow, Sunday, one of the biggest days in the grape business at Chicago, to have observed generally how the business was conducted and consequently it would be in order to again see Irrgang and complete their plans. However, DiLillo has not seen Irrgang to date and Mr. Oseas stated that the Agents at Chicago, Agent Fay particularly, had felt that it would be wise not to have Irrgang meet DiLillo or to know DiLillo in any way. I concurred in this view because I believe it would be better for all parties concerned for DiLillo not to deal directly with Irrgang.

Mr. Oseas is to see Mr. O'Brian on Monday morning (Mr. O'Brian is not at the Department today) and will acquaint him with the plans. In the meantime, I have called Agent Fay at the Chicago office, suggesting that Agents Miller and Little see Irrgang on Monday morning and perfect the plans previously discussed but that they should take no action until they had called this office by telephone and had received ~~authority~~ ^{authorization} to act. It is contemplated that as soon as they call this office on Monday, Mr. O'Brian will be fully informed and can then state whether he desires to have the plans proceed.

Respectfully,

M W Hughes

V. W. Hughes.

TELEPHONE CONVERSATION BETWEEN MR. HUGHES AND
MR. FAY, ACTING AGENT IN CHARGE OF THE CHICAGO
OFFICE, ON OCTOBER 17, 1930.

Mr. Fay.

"Mr. Oseas and Mr. Irrgang had quite a conference concerning the juice grape matter. Mr. DiLillo is going into the grape business. He is to bid for a carload of grapes and the carload will be knocked down to him, after which he is to go to the Northwestern Terminal and endeavor to dispose of that carload of grapes. I asked Mr. Oseas how the arrangements could be carried out to buy these grapes and he said he would take that up with you tomorrow when he gets to Washington. The carload of grapes will cost \$1,000.00. Mr. Oseas stated he thought it would be better for Agent DiLillo to associate himself with a man in the grape business and request him to bid for the carload, even though it might be necessary to pay him a \$15.00 or \$25.00 commission, after which DiLillo can go down to the track himself and sell the grapes."

Mr. Hughes.

"How are the grapes to be purchased?"

Mr. Fay

"I imagine in cash."

Mr. Hughes.

"I think by check would be better."

Mr. Fay.

"The only thing is, Mr. Hughes, that he may buy through a second party."

Mr. Hughes.

"Yes, I understand the check proposition. Well, of course, that check could be taken to the bank and exchanged for a cashier's check."

Mr. Fay.

"Mr. Oseas wants DiLillo to do nothing so far as going into the actual business is concerned until Monday. That will give you an opportunity to talk to Oseas. I thought I would give you this in the meantime."

Mr. Hughes.

"I am glad you did."

Mr. Fay.

"In the meantime DiLillo is going out and familiarizing himself with the grape business in general, so that when he goes into it he will know something about it."

Mr. Hughes.

"I will get in touch with Oseas and will call you up afterward."

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Form No. 1

THIS CASE ORIGINATED AT

CHICAGO.

REPORT MADE AT	DATE WHEN MADE	PERIOD FOR WHICH MADE	REPORT MADE BY
Chicago, Illinois	Oct. 25, 1930	10/15 - 20/1930	ALBERT DILLILLO
TO WHOM MADE		AMERICAN TRUST COMPANY	
NAME OF PERSON ORGANIZATION		MANNY SCHATTNER; TONY ROMANO; JUICE GRAPES INVESTIGATION.	
SYNOPSIS OF FACTS		<p>Mr. I. E. Oceans, Special Assistant to the Attorney General, in conference in Chicago with Agents conducting this investigation, recommends plan of procedure by which under cover investigation will be conducted to determine, if possible, the identity of the parties who are alleged to be collecting tribute from juice grape purchasers at the Chicago and North Western Railway tracks in Chicago, and endeavor to obtain evidence sufficient for an indictment. Officials of the C. & N. W. Ry. interviewed and promise full cooperation; Officials of C. M. St. P. & P. RR. interviewed but express no interest in this matter. C. W. Irrgang, complainant, will furnish carload of juice grapes and defray all expenses necessary to effectuate sale of a carload of grapes by Agents Dillillo and Palmer on C. & N. W. juice grape tracks, Leeds Chicago.</p>	
REFERENCE:		<p>Letter from Acting Special Agent in Charge, F. B. I., May, Chicago, dated Oct. 27, 1930 and Bureau letter dated Oct. 18, 1930.</p>	
DO NOT WRITE IN THESE SPACES			
APPROVED AND FORWARDED:	SPECIAL AGENT IN CHARGE	RECORDED AND INDEXED:	
<i>J. X. Fay</i>		62-24753-29 OCT 25 1930	
COPIES OF THIS REPORT FURNISHED TO:		BUREAU OF INVESTIGATION	
3 - Bureau 3 - Chicago		OCT 25 1930 AM	OCT 25 1930
<i>Copied by H. J. [unclear]</i>		DEPARTMENT OF JUSTICE	JACKETED:
		ROUTED TO:	<i>m</i>
		Div. 200	

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DETAILS: AT CHICAGO, ILLINOIS

This is a brief report of Special Agents T. Little and Albert Miller.

Pursuant to instructions received by Acting Special Agent in Charge F. X. Fay on October 13, 1930 from Mr. Vincent Hughes by long distance telephone, Agent Miller inspected the Chicago and North Western Railway Company's juice grape track in the morning of Oct. 14, 1930 from 7 AM. to 8 AM. and observed that no colored help are employed, purchase grapes or congregate at the said juice grape track. All of the peddlers of juice grapes, purchasers and employees at the said track appear to be Italians and are roughly dressed.

On October 15, 1930, Mr. L. B. Oseas, Special Assistant to the Attorney General, arrived at the Chicago Bureau Office and as per instructions from Mr. Vincent Hughes to Acting Special Agent in Charge F. X. Fay, Agents DiLillo and Little, together with this Agent, conferred with Mr. Oseas and plans for the further investigation of this case were considered and outlined by Mr. Oseas. Mr. Oseas stated, particularly, that it would be well at this time to obtain a written statement from Mr. Charles W. Irrgang of 169 South Water Market and from his assistant, Mr. Perry Stern, setting forth in detail all information known to them and the basis of their complaint; that V. C. Ruggart, in care of the Fry Brokerage Company, Chicago, Illinois, be interviewed; that, if possible, the names of some of the peddlers who purchase juice grapes at the Chicago and North Western terminal be obtained, either from Mr. Irrgang or from other important commission brokers. Mr. Oseas also requested that all pending leads be investigated and that in the event any new leads develop they also be investigated.

This Agent accompanied Mr. Oseas and met Mr. Fred W. Sargent, President of the Chicago and North Western Railway Company, located in room 1400, Daily News Building. Mr. Oseas explained that the purpose of his visit was to obtain the cooperation of Mr. Sargent in arranging an interview with Mr. F. W. Beukel, Assistant Claim Agent of the Chicago and North Western Railway Company, who is alleged to have definite knowledge of overt acts committed by Subjects and others at the Chicago and North Western Railway's juice grape track. Mr. Oseas also requested the Chicago and North Western Railway Company to cooperate with this Bureau in any investigation undertaken in order to obtain evidence of

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the alleged racket at the Chicago and North Western Railway's juice grape track. Mr. Sargent assured Mr. Oseas that the officials and employees of the Chicago and North Western Railway Company would render full and complete cooperation in this matter, and Mr. William Walliser, Vice President in Charge of Personnel and Mr. W. C. Johnson, Freight Claim Agent, were called in by Mr. Sargent and were introduced to Mr. Oseas and this Agent. Mr. Sargent instructed Mr. Walliser and Mr. Johnson to extend their fullest cooperation in the matter under investigation, and a general discussion occurred in which it was brought out that Mr. Sargent and Mr. Walliser, also Mr. Johnson, had heard rumors of the existence of the alleged juice grape racket at their Clinton Street tracks, but they could not furnish any definite data. Mr. Sargent instructed Mr. Walliser and Mr. Johnson to arrange a meeting of several of their employees, including J. C. Beutel, in order that Mr. Oseas might interview them. It was also brought out at this conference that the Chicago and North Western Railway Company now have two of their private uniformed men patrolling the Chicago and North Western Railway's juice grape track.

In accordance with arrangements made by Mr. W. C. Johnson, Freight Claim Agent, Mr. Oseas and Agent called at room 1212, Daily News Building, where in addition to Mr. Johnson, the following employees of the Chicago and North Western Railway Company were present:

S. A. Dickson	Special Agent
M. J. Gebhardt	
W. A. Jeffery	Inspector of Police
J. V. Beutel	Assistant Claim Agent

Later Mr. R. W. Hoops, Assistant Freight Traffic Manager and Mr. William Walliser, Vice President in Charge of Personnel, joined the conference. Mr. Johnson requested Special Agent S. A. Dickson to explain to Mr. Oseas and this Agent the scope of a recent investigation which the Chicago and North Western Railway Company had conducted jointly with Sergeants Harry Larson and William Brady, officers of the State's Attorney's office, both of whom work under Lieutenant William V. Dean.

Special Agent Dickson explained briefly what had occurred recently at the Chicago and North Western Railway's juice grape track, where several independent Italian peddlers, who were suspected of having been "shaken down" or approached by Subjects Schraiberg and Romano, were subpoenaed to the State's Attorney's office and questioned, but were subsequently released after they denied any knowledge of anyone paying

tribute or being approached for tribute by anyone." The copy book of reports which were submitted by Special Agent Dickson of the Chicago and North Western Railway Company to W. F. Dineen, Chief Special Agent of the Chicago and North Western Railway Company, were obtained by this Agent from the latter. Mr. Dineen explained that Special Agent Dickson was the author of the said reports and that he (Dineen) submitted copies of these reports to this Agent with the strict understanding that the nature of the said information contained therein is to be considered strictly confidential. Photostatic copies of said reports are marked "Exhibits "A" and "B" and are attached to this report.

Mr. Beutel was questioned by Mr. Dees as to his knowledge of any concrete evidence of any peddlers or buyers of juice grapes paying tribute to Messrs. Schraiberg and Romano or their agents. Mr. Beutel stated that while it was generally rumored that tribute was being paid to Subjects Schraiberg and Romano, he had no definite knowledge of anyone actually paying such tribute. He stated that Subjects Schraiberg and Romano are seen at the Chicago and North Western Railway's juice grape track daily, and that while Subject Schraiberg actually sees purchase and sell grapes, it appears that Subject Romano seems to be merely "hanging around" the juice grape track. Mr. Beutel stated that on September 28th, 1930, Subjects Schraiberg and Romano appeared at the Chicago and North Western juice grape track in Subject Schraiberg's Lincoln automobile and that while Subjects Schraiberg and Romano were mingling among the crowd of peddlers and buyers, he (Beutel) observed a man in the Lincoln car with a gun protruding from his belt. Mr. Beutel could not see the man's face, nor did he recognize him from the manner of his dress. Mr. Beutel was of the opinion that the said man with the gun was "a drunk". Subjects Schraiberg and Romano had picked up. The Chicago and North Western Railway representatives present at this conference were of the opinion that the juice grape racket of collecting tribute from the peddlers had been broken up since the recent raid by the State's Attorney's office and they were also of the opinion that it would not resur again this season.

The matter was discussed as to the possibility of placing a special agent of this Bureau, who had a knowledge of the Italian language, in some position as an undercover operator at the Chicago and North Western Railway's juice grape track, either as an employee of the Railway or otherwise, but the Chicago and North Western Railway representatives stated they did not believe this could be accomplished successfully at this time. However, another plan of action along this line was determined upon. All of the representatives of the Chicago and North Western Railway Company at this conference promised their fullest cooperation in the matter under investigation.

Mr. W. C. Johnson made arrangements with Mr. Gosses to have grapes located in Chicago in order that Mr. Gosses might observe the relationship and the layout of the several juice grape tracks in question. On Oct. 16, 1930 Mr. Gosses accompanied Mr. W. C. Johnson, Freight Claim Agent of the Chicago and North Western, on a tour of the juice grape tracks and upon his return Mr. Gosses dictated the following memorandum:

"Pursuant to arrangements made the day before I met Mr. W. C. Johnson, Freight Claim Agent of the Chicago & Northwestern Railroad Company, at his office, on October 16, 1930 at 9 o'clock a.m., Mr. Johnson first took me to the office of Mr. W. J. Dinnan, Chief Special Agent, with whom I discussed the situation in a general way. He also promised us full cooperation."

Mr. Johnson stated to Mr. Dinnan in my presence, that this inquiry was with the cooperation of the president; and that the railroad was to cooperate in every way. Mr. Johnson and I were first driven to the grape juice track of the Chicago & Northwestern Railroad. There we met Mr. E. L. Beutel, Assistant Claim Agent. In order that I might see Mr. Schraiberg, one of the alleged racketeers, Mr. Beutel took us over to a lunch wagon where Schraiberg was eating. Beutel stated that Schraiberg's bodyguard was there at the time, but I did not notice him. There were about 138 cars of grapes on the track. The track stretched for several blocks in three or four lanes. Every car is open for inspection. The buyer's trucks drove up to the cars for loading, and as nearly as I could determine every car was in charge of one or more Italians, and we stopped to look at them, and a number of them offered to sell us grapes.

I had previously requested that Mr. Johnson let me have the names of the consignees of all the cars on the Chicago and Northwestern tracks for the past two weeks. Mr. Johnson made this request of Mr. Beutel, and Mr. Beutel stated freely that there was no doubt that all of the grapes on that track were controlled by Mark T. Adamson.

In this connection Mr. Beutel stated that a short time before he had been with Mark T. Adamson when an Italian whose name he then mentioned, asked to buy some grapes. Adamson asked whether he had seen Romano. When the man said he had not, Adamson sent him to Romano. Thereafter Adamson turned to Beutel and said: "We have a new corporation working this year, and I get all the business on the Northwestern track". Beutel also said that Romano had told him that if the Northwestern interfered with what they were doing, that they (Schraiberg and Romano) would then transfer all of

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their business to the Chicago, Milwaukee, St. Paul and Pacific R. R. tracks, which immediately adjoined the Northwestern. Bentel had disclaimed any knowledge of the situation, and said that all regulation work was done by the railroad police. Roman then told him to give that message to the police from him. Bentel had given the message to Dixon, who had then stated (I think he said to Romano, but I am not sure), that the investigation previously conducted had been by direction of the State's Attorney, and that they had no control over it.

I discussed with Bentel and Johnson the statement made by Irrgang, that if he did try to sell grapes at all on the Northwestern track, there would either be a riot or no one would bid for the grapes. Mr. Johnson said that that was precisely what had happened one day last year when Irrgang had tried to sell there; there was not a single bid. The Chicago & Northwestern yard at this point is not particularly inviting. It is paved in brick. The paving has holes in a good many places. At the car-drives the boards are loose. After the rain of last night the walk was very muddy. Immediately adjoining these tracks are the newly built runways of the St. Paul R. They were built especially as juice grape tracks. They are laid out in concrete and are beautifully white and clean. At the time of my visit the Northwestern was loaded almost to capacity. Mr. Bentel said that he had room for perhaps 38 cars more. There was not a single grape car open on the St. Paul tracks. Mr. Bentel also took occasion to state that it required great diplomacy for him to work at these yards, and that he had already been shot at once.

From that point Mr. Johnson took me to their Wood Street Yards, and explained the way the grapes come in at those yards, and that brokers will sell at those yards to Italians, who, thereafter, have their cars switched to the Clinton Street Yards for peddling.

Mr. Johnson also took me to the produce terminal track near the Santa Fe Yards and showed me the location of the Auction track and the location of the cars for peddling there.

It was arranged with Mr. Bentel that he is to call at my office at 10:00 o'clock tomorrow morning, October 17, 1930.

At Mr. Ocas' request Mr. Charles V. Irrgang of 169 South Water Market, was asked by telephone to call at the Federal Building, where Mr. Ocas interviewed him in the presence of this agent as to the details of his complaint. Mr. Irrgang stated he was certain that the \$50 per car was still being paid at the Chicago and North Western Railway's juice grape track as tribute, but he could not submit the names of any of the peddlers who have paid such tribute or who have been approached for payment of tribute. Mr. Irrgang stated that the

news that the Government was investigating the matter had apparently reached Subjects Schraiberg and Romano and their agents, and this had doubtless deterred them from extending similar activities to the other juice grape tracks. At this point Special Agent Miller was called into the conference and he was introduced to Mr. Irrgang. The subject was also discussed then as to the possibility of placing Special Agent Dilillo as an under cover agent at the Chicago and North Western Railway juice grape track, either as an employee or as a peddler of juice grapes, and Mr. Irrgang thought such a plan would furnish evidence of the existence of this alleged racket very quickly. Mr. Oseas left this meeting open during this interview with Mr. Irrgang, and Special Agent Dilillo was requested by Mr. Oseas to spend the next several days around the produce terminal and the Chicago and North Western Railway juice grape track in order to become familiar with the manner in which juice grapes are bought and sold by peddlers and the public.

On October 16, 1935, Mr. R. C. Archer, manager of the Chicago office of the American Fruit Growers' Exchange, 1435 South Racine Avenue, was interviewed by Mr. Oseas in the presence of Agents Miller and Little, who stated substantially as follows, concerning the matter of the practices prevailing in the terminals at Chicago with reference to the sale and marketing of juice grapes: Several years ago the Chicago and North Western juice grape yards insofar as the sale of juice grapes on those tracks was concerned was in the hands of Joe Aiello, a well known gangster of Chicago, and his aids. Many carloads of grapes were sold to Aiello direct, all of the buyers or peddlers, doing business on the North Western track had to pay to Aiello or his representatives, a certain amount of money, ranging from \$25 to \$50, for the privilege of selling grapes on the Chicago and North Western track. In one sense of the word, this racket, in Mr. Archer's opinion, was a good thing, for one of the results thereof was to exclude independent growers from marketing their grapes at the Chicago and North Western track in competition with growers whose representatives in Chicago did business direct with Aiello and his gang and were under the protection of that gang. Following the regime of Joe Aiello about 1928, Joe Ferrara assumed control of the juice grape situation on the Chicago and North Western tracks and retained control of the juice grape market on those tracks until Ferrara was shot and killed in June 1930. Following Ferrara's death, Tony Romano called to see Mr. Archer and told him that he (Romano) would in the future have charge of the North Western tracks and that he represented Al Capone. Mr. Archer stated he has heard from other reliable sources, which he did not care to disclose, that Tony Romano and his partner, Manny Schraiberg, as well as Fred King and Nathan Rubin, are all members of the Capone gang. Schraiberg, Romano and Rubin all hold themselves out to be representatives of the Northern Fruit and Produce Co.,

116 S. Water Market, and have in their possession, according to Mr. Archer, printed business cards with the name of the above company imprinted thereon and with their names as representatives thereon.

The visit of Subject Romano to Mr. Irrgang occurred early in September of this year. He told Mr. Archer that he and his gang wanted to work with him and that it would be their purpose not to allow anyone to come in and sell their grapes except via auction in line with competitors. Romano stated he desired to purchase grapes from Mr. Archer and that Freddie King and Manny Schreiberg would be in charge of the buying. Shortly after the visit of Romano, Mr. Irrgang reported to Mr. Archer that there were some "strong armed men" who came to the terminal yards with guns and threatened a number of the Jewish boys who operated at the terminal yards and told them that if they did not leave that yard and go over to one that was closely adjacent they would be killed. This action, according to Mr. Archer, represented an effort to divert carloads of grapes from the Auction. Mr. Archer stated that it is his understanding that Mr. Irrgang and certain other officials made a trip to Washington, D. C. to lay this matter before the Federal Farm Loan Board, and it is Mr. Archer's opinion that since this visit took place no further efforts towards intimidating buyers have been made by Subjects or their assistants.

Concerning the matter of the exaction of a tribute of from \$25 to \$50 per car from peddlers of juice grapes on the tracks of the Chicago and North Western Railway, Mr. Archer stated he has frequently heard that such a situation does in fact exist, but all of his information has come to him in an indirect way and he could not furnish the name of a single individual or peddler who had so stated to him or would be willing to testify that he had been approached and requested or forced to pay money to Subjects for the privilege of selling grapes on the Chicago and North Western tracks. It was Mr. Archer's belief that peddlers are operating at present rather freely on the Chicago and North Western Tracks and that no efforts are, for the present at least, being made to collect tribute from them or to prohibit them from marketing grapes on these tracks. Mr. Archer furnished the names of the following persons who purchase grapes through the American Fruit Growers' Exchange and sell them at the terminals in Chicago:

Carl Catone, who sells his grapes on the North Western tracks; Andrew Catone, who markets his grapes on the tracks of the Santa Fe Railroad; Charlie Barbare, who markets his grapes on the C. R. I. & P. R. R. tracks; Sam Russo and Vincent DiMori, both of whom market their grapes on the North Western tracks.

Mr. Archer stated that the last named individuals had no office address so far as he was aware, and transacted all of their business at the terminal yards.

Mr. Archer stated also that few calls on a party by the name of Touraine (first name unknown) who are independent growers and shippers, also market their grapes in the Calumet terminals, and does a man by the name of Lechner, an independent grower, who markets his grapes on the tracks of the Rock Island and Santa Fe railroads, and is described by Mr. Archer as the "worst crook in the business".

It was Mr. Archer's information that Mark J. Adams, broker, sells grapes on all of the tracks, but does the majority of his selling on the tracks of the Santa Fe and North Western.

Mr. Archer stated that the gross profits accruing to a peddler on a car of juice grapes would amount to approximately \$100, out of which must be deducted demurrage and all incidental expenses, so that in the event a peddler were forced to pay a tribute of \$50 to a gangster for protection, the net profit which would remain from the sale of a carload of juice grapes would be very small. Mr. Archer confirmed information already of record in this case, that the reason for the removal of the Auction conducted by Mr. Irrgang from the tracks of the North Western Railway to the present site of the Auction was brought about through the efforts of Joe Ferrante, in causing a general strike.

On October 17, 1930 Mr. V. C. Beutel, Assistant Claim Agent of the Chicago and North Western Railway, was interviewed by Mr. Ocasas in the presence of these Agents and Mr. Beutel was questioned at length by Mr. Ocasas concerning the methods employed in marketing a car of juice grapes on the tracks of the Chicago and North Western Railway juice grape track. A copy of the statement furnished by Mr. Beutel and signed by him is attached to each copy of this report, marked Exhibit "C".

On the morning of October 19, 1930, Mr. Ocasas conferred with Mr. H. A. Scandritt of the Chicago, Milwaukee, St. Paul & Pacific Railroad, with particular reference to the juice grape situation as it exists on the tracks of the last named Railroad. Mr. Ocasas stated that Mr. Scandritt frankly admitted that his Company had constructed a new juice grape track adjacent to the tracks of the Chicago and North Western Railway, for the use of peddlers and buyers in the marketing of grapes reaching Chicago via the rails of the Milwaukee Railroad, but that in spite of the superior equipment and facilities afforded by the Milwaukee Railroad, as compared with those of the North Western Railway, practically all of the business is at present being conducted on the tracks of the Chicago and North Western Railway. Mr. Ocasas stated also that Mr. Scandritt did not appear to be interested in removing the source of the trouble and intimated that so long as his Company received its line haul from California they were not concerned with whether or not the peddlers and buyers of grapes used the tracks of the Milwaukee in Chicago to market their juice grapes. Mr. Scandritt stated to Mr. Ocasas that

If desired he would have prepared and furnished to this office, a statement showing the movement of grapes via the Milwaukee Railroad consigned to the Chicago market for the entire season of 1930.

On October 17, 1930 this office was advised by Mr. Charles W. Irrgang over the telephone that he had received information to the effect that a press dispatch in a California newspaper contained information concerning the instant investigation, and on the same date the article in question, which is an editorial entitled "CHICAGO RACKETEERING AND CALIFORNIA" appearing on the editorial page of the PACIFIC RURAL PRESS, San Francisco, Cal., dated Oct. 11, 1930, was handed to Agents by Mr. Irrgang and photostatic copies whereof are attached hereto, marked Exhibit "D".

Pursuant to instructions received via long distance telephone on October 18, 1930 from Mr. Vincent Hughes, Washington, D. C., on October 20, 1930 Agents contacted Mr. Irrgang and obtained the details of the plan under which Agents DiLillo and Palmera are to engage in the sale of a carload of juice grapes on the track of the Chicago and North Western Railway. Mr. Irrgang suggested the following plan:

He will select a carload of excellent quality White Muscat grapes and he will set this car apart from other cars on the Auction tracks, and at one of the auctions held at 1 P.M. on each day, with the exception of Saturdays and Sundays, will sell the car publicly to see Joe Roman, (the to be used by Agent DiLillo). Agent DiLillo will not be present at the Auction but the transaction will be duly recorded by Mr. Irrgang on the Auction books and a Bill of Sale will be prepared covering this purchase in the name of Joe Roman and handed by Mr. Irrgang to a representative of this office. Mr. Irrgang will have drawn a cashier's check for \$600 to defray the freight charges on the carload of grapes, which will amount to between \$540 and \$575, the balance of the check to be used for incidental expenses, including the payment of tribute, if and when demanded, and such other incidental expenses, as the hiring of laborers to assist in loading the grapes from the car to the trucks. The cashier's check will be converted into cash and the freight charges will be paid by Agent DiLillo direct to the cashier of the Chicago and North Western Railway Company on the juice grapes track of that Company, thereafter the car will immediately be opened by Agents DiLillo and Palmera and the sale of the grapes in the car will commence. It is anticipated that prior to, or shortly after the car is opened, the last named Agents will be approached by Subjects or their representatives and a tribute demanded. Should no tribute be sought, the carload of grapes will be sold to retail buyers and another car purchased in the same manner as above outlined.

should doubtless be made for a tribute, and such tribute will be paid by Agent Dilillo and all information possible with regard to the identity of the parties and the general scheme of collection. This has been employed by the Jeeps and their agents well, if possible, he suggested Mr. Basas suggested even though tribute is charged and paid at the time of the purchase and sale of the first carload of grapes, it would be more advisable to purchase and sell two or three additional carloads of grapes and make payment of tribute two or three times, as completed, and upon payment of the last tribute, suitable arrangements will be made whereby the money which is passed in payment of the tribute will be marked for identification and the party or parties collecting same taken into custody. In accordance with arrangements which will be perfected so soon as definite course of action in that respect may be outlined.

It should be noted that Mr. Irrgang has stated that he is interested solely in assisting the Bureau in obtaining information of value in this investigation and is not concerned with obtaining a profit on the grapes sold by him to Agents Dilillo and Palmer and in turn sold in retail trade by them to purchasers from the cars. A record will be kept by the last named Agents of all monies collected by them as a result of the retail sales of grapes from day to day, as well as all expenditures made in the course of their business and at the conclusion of each day's sales the money collected during that day will be turned in by them to the agent in charge of this office for deposit in a joint account which will be opened by Agents Miller and Little at the National Bank of the Republic of Chicago. The money collected from the sale of the grapes from the car will be paid over to Mr. Irrgang by check from this joint account each day or after the sale of a carload of grapes has been completed, in which ever manner preferred by Mr. Irrgang.

The following investigation has been made by Agent Dilillo to date. In accordance with suggestions made by Special Assistant to the Attorney General, Mr. L. B. Basas, Agent Dilillo on October 16, 17, and 18, 1930 visited the Chicago produce terminal at 27th and Ashland Aves., and the Chicago and North Western produce tracks at the Clinton and Kinzie streets yard, for the purpose of acquainting himself with the procedure used in the buying and in the selling of juice grapes. Agent Dilillo ascertained at the Chicago produce terminal that the juice grapes sold at auction are divided into lots, each lot representing a particular rail-road car duly identified in a pamphlet prepared and distributed by the

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auctioneer and identified by the initials of the railroads and car numbers.

At the auction sale Agent Dilillo noticed that the majority of the buyers were of Jewish abstraction. Italians, however, were seen about and were observed making bids. Agent Dilillo engaged in casual conversations with a number of Italians and learned that the juice grape market in Chicago was very good during the season of 1930. That at present, however, the demand for juice grapes has somewhat reduced due to the fact that the season is almost over, but that never the less grapes are sold at a profit of about \$100 per carload. Agent Dilillo expressed his intentions to various persons interviewed of engaging in the juice grape business in Chicago. No intimations whatsoever were made to Agent Dilillo that the market in Chicago was infested by the racketeers but that the buying and selling of such a commodity as juice grapes is being conducted freely without any interferences.

Agent Dilillo also visited the Santa Fe Railroad tracks in the vicinity of the Chicago Produce Terminal where a large business is being done in the retail of grapes. Agent Dilillo noticed that persons engaged in the said business in the locality just given, are mostly Jewish and Italian. Inquiries made there brought out the fact that no interferences with the free movement of grapes are occurring on the tracks of the Santa Fe railroad.

At the team track of the Chicago and North Western Railway Company, in the vicinity of Clinton and Kinzie Streets, Agent Dilillo found that the juice grape business there is being conducted by Italians entirely. A number of persons were approached by Agent Dilillo and asked if an outsider could engage in a similar business in the given location. Agent Dilillo was invariably informed that "this is a free country and if you have the necessary money you can do almost everything you want to". Agent Dilillo did not question the meaning of this statement, inasmuch as at the time the inquiries were made, no definite plan had been formulated as to what action was to be taken in that matter.

From inquiries made by Agent Dilillo outside of the team tracks herein referred to, it appears, however, that there was a "gang" engaged in exacting tribute from persons who are in the grape business on team tracks. Information was secured that Ercole Liberatore, who was at one time engaged in a similar business in Chicago, had to discontinue the same due to the pressure brought about by "a gang" demanding of him sums of money for one reason or another. Ercole Liberatore, who is well known to one of Agent Dilillo's acquaintances in Chicago, could not be located.

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UNDEVELOPED LEADS.

CHICAGO. This office will endeavor to locate and interview all persons who may be engaged in the sale of grapes by Agents Miller and Palermo, as indicated by the purchase of grapes by Agents Miller and Palermo, as indicated by the purchase

This office will attempt to locate and interview, if possible, obtain signed statements from the following individuals, all of whom are believed to be purchasers and vendors of juice grapes on the various railroad juice grape tracks at the Chicago terminal, none of whom have permanent office or residence addresses in Chicago, so far as is known: Carl Catone, Sam Russo and Vincent DiMori, all of whom are alleged to sell grapes on the tracks of the Chicago and North Western; also Andrew Catone, who sells grapes on the Santa Fe tracks and Charlie Barbare, who may be located on the track of the Rock Island Railroad; also Joe Calle and Mr. Lachemier and Mr. Tournet, the last three being independent growers and shippers who may be located on either the Rock Island or the Santa Fe tracks; also Nick Pandaleo, A. Martini, Tony Poiello and his brother (first name unknown), as well as Carlo Skitone, independent growers and dealers, who may be found on any of the terminal juice grape tracks.

This office will also interview Mr. V. G. Taggart, re-interview Charles W. Smith, manager of the Digiorgio Fruit Company, 1425 S. Racine Avenue, and through Smith endeavor to locate and obtain a statement from the party named "Phil", a juice grape peddler on the Chicago and North Western Railway's juice grape track, who is referred to on page 16 in the report of Special Agent Butterworth, dated Oct. 2, 1930; also obtain from Mr. Charles W. Irrgang, complainant in this case, a signed statement covering all the facts material to this investigation. Mr. Perry Stern, Assistant to Mr. Irrgang, will likewise be interviewed and a statement taken from him.

-PENDING-

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MEMORANDUM

Chicago, Illinois,
September 29th, 1930.

"Reporting on partial investigation of grape situation at Clinton St. team track relative to consignees being compelled to contribute for privilege of selling from cars.

We were advised that any person having a car of grapes on track for sale, are forced to make arrangements with an alleged racketeer named Tony Romano who is running a lunch room and soft drink parlor at one of the corners of Wells and Erie Sts.

Associated with Romano is a Walter Shraiberg who has an office in the Produce Traders Bldg. on South Water Market, phone Canal 2829, 1425 So. Racine Avenue, residence phone Keystone 1548, address not given and suppressed in phone book. There is an H. M. Shraiberg given in phone book at same business address.

It would appear from what was told us, after fixing with Romano, grape sellers are compelled to sell or buy through Mark Adamson located at 1425 So. Racine Ave. Adamson receiving the O.K. from Romano. None of the men having cars at Clinton St. would talk, or offer any evidence because of fear. All that we gathered was with the understanding no mention would be made of where information was obtained.

Sergt. Larson and his partner from the States Attorney's office and assigned to Rackets, is now working on this case. In the event they develop anything you will be advised. A man from California with whom some trouble was expected has arrived and has been permitted to do business without interference thus far. We know a conference between Adamson and Romano was held in the morning of September 27th, 1930 and from what we could learn, this crowd has decided they better not force an issue at this time. Our latest information is that matter is being brought to the attention of Asst. States Attorney Mueller for any action he desires to take.

On Friday, Sept. 26th, 1930 at time Sergt. Larson, his partner, Special Agent M. J. Gebhardt and the writer went to Clinton St. to look situation over, some unknown party evidently got in touch with Romano and Shraiberg, as they came to yard within a very short time after we arrived. Romano was in auto bearing Illinois license #1-179-449 belonging, so we found, to Walter Shraiberg for a Cadillac. This is make of car license was on. Address given as South Water Market. From the above we figured Romano, et al had someone at the yard to keep in touch should anything turn up. Larson conversed with Romano and Shraiberg for sometime but did not reveal the conversation. Neither man was armed."

Exhibit "A"

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MEMORANDUM

Chicago, Illinois,
October 15th, 1930.

"Reporting further in the grape situation at Clinton St. team track. With the assistance of Asst. States Attorney Donald L. Thompson, Sergts. Harry Larsen and Wm Brady of the States Attorneys office, the following listed men were brought before Mr. Thompson and questioned relative to the alleged activities of Romano and Shraiberg.

Pietro Surdo, 612 North Green St., Chicago, Ill.
Angelo Martino, residence Oakland, California
Tom Pallela, Modesto, California
Sam Romano, 2102 Koestner Avenue
John Rizzo, 1645 Melrose Street
Charley LaPresto, 624 North Monticello Avenue
Roy Pallela, a brother of Tom, Modesto, California
Nick Pantaleo, Modesto, California.

All made statements in writing in the presence of the gentlemen mentioned above and M. J. Gebhardt, John Barth and the writer of this office.

In these statements they fail to implicate the men under investigation with anything that would be concrete evidence to present before the Grand Jury.

On October 7th, 1930 Walter Shraiberg was brought before Mr. Thompson and made a statement in which he denied having any connection whatsoever with a racket or an attempt to extort money from any of the men handling grapes at our team track. Volunteering that he intended to take up with the Chief Special Agent the matter of an investigator who he claimed was the instigator of this investigation and have this man discharged from the service of the C&NW Ry. (this refers to me.)

Shraiberg, Tony Romano and a man named Rubin are in the produce business and I have been given to understand that Shraiberg and Rubin conduct a firm known as the Northern Fruit & Produce Co., with an office at 1423 South Racine Avenue, phone Roosevelt 3156.

In the handling of this matter by Sergts. Larsen and Brady and with the assistance of Mr. Thompson of the States Attorneys office, it would appear from all outward evidence, that all attempts to organize or collect from the men on the team track handling grapes at Clinton St. has been eliminated at least for this year."

Exhibit 'B'

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Q. They handle the juicer grapes, the same as all other brokers do, but that instead of going through a commission house, they have their own business?

A. They pay no brokerage.

Q. Is there a fixed brokerage charge?

A. I believe it is \$25.00 per car. The brokerage charge isn't always \$25.00. Sometimes they turn it over for a profit of a nickel a lug. A broker will sell the same car two or three times at a profit of a nickel.

Q. A nickel a lug?

A. A nickel a lug.

Q. How do the shippers' representatives fit into this picture, I mean, people like Fry - they represent independent people, don't they?

A. No, there may be various shippers, and they act as their agents.

Q. Just like any other broker?

A. Just like any other broker.

Q. Do the brokers ever sell the grapes at auction?

A. They would rather not.

Q. They have to stand the auction charges themselves?

A. I think that possibly the shipper pays that.

Q. After grapes arrive on the Northwestern tracks, there is an extra charge for switching the car down to the auction tracks?

A. No.

Q. Is that true generally, that switching from all tracks to the auction tracks is free of charge?

A. Yes.

Q. And from the auction tracks to the tracks of the various lines for peddling?

A. Yes.

Q. How did Irrgang come to start the auction business?

A. I don't know exactly. He has been engaged in the auction business for a number of years and I also understand that it was he or him but to California and bought up a lot of grapes to be shipped back in order to start this auction, and I suppose because he was in the auction business, I don't know any particular reason.

Q. In general, what's set to the atmosphere at the auction? Was it pretty well understood what Joe Ferrara wanted?

A. Yes, that was the understanding.

Q. Joe Ferrara was a buyer of juice grapes?

A. A buyer of grapes.

Q. And he was financing other buyers?

A. Yes. In fact, he was.

Q. Now, going back to the beginning, how long has this been going on?

A. I think maybe the last 4 or 5 years.

Q. In the past, has Irrgang been able to sell at the Northwestern tracks?

A. He sold there one year.

Q. Which year was that?

A. I believe it was 1928.

Q. That is three years ago. And did he get away with it?

A. They started in, and then there was something come up between Ferrara and Irrgang and Ferrara told all the peddlars Maxon to buy from Irrgang and not to buy from the Auction.

Q. Was that the incident Mr. Johnson, your Freight Claim Agent, was telling us about?

A. Yes.

Q. Thereafter did Mr. Irrgang confine his activities to the auction track?

A. Yes.

Q. Now, that was 1928. Last year did he sell on the Northwestern tracks?

A. No, last year he didn't sell.

Q. Didn't he sell some last year at the Northwestern?

A. I don't believe he did. I am sure he didn't in 1928.

Q. I thought he made some attempt last year. Your memory is that he didn't sell any then?

A. Yes, that is my recollection right now. I am pretty sure that is right.

Q. All right, you can check that up later. Now, while Ferraro was active, Schraiberg and Romano weren't in the business?

A. No, this is the first year that they were ever there.

Q. Was Schraiberg in the business at all before this year?

A. I don't believe that Schraiberg was. I hadn't ever heard of him.

Q. And Romano appears to be a partner of Schraiberg's.

A. As far as I know, I don't know positively, but from what I got, Tony Romano, Fred King, and a fellow named Rubin are partners.

A. Let's take King. I've heard his name recently. Isn't he an Italian?

A. Yes. That isn't his right name, his father goes under the name of King.

Q. Does he hang around the tracks?

A. Yes, he is running the gang. He has charge of the peddlers for Romano.

Q. Do Romano and Schraiberg finance peddlers just the same as Ferraro did?

A. That's my understanding. In fact, Tony Romano told me he had \$20,000 invested in this grape deal and he wasn't going to let anybody gain.

Q. Whose money?

A. His money.

Q. What is Romano's background? Who was he?

A. Well, I know only what I know, that he is a bootlegger, has a soft drink restaurant or cafe at Erie and Wells Street, and I understand he has a liquor route.

Q. For which mob? Which gang?

A. Ted Newberry.

Q. He claims this connection?

A. He does claim this connection.

Q. He told you this?

A. He hasn't told me, but others. He told another party, and this party told me.

Q. Who is Roy Palella?

A. Palella is one of the Palella Brothers, that are handling grapes on all tracks now. He said he'd pay nothing, or wouldn't let Romano stop him from making an honest living by peddling grapes.

Q. Well, how much do you know about the details of this outfit? Do you know how it works?

A. No, I don't. About this new outfit I don't know much. ~~Mark~~, I heard was the start of the grape season this year. Several of the independent peddlers came around and said that they didn't know whether or not they would be able to peddle grapes on Clinton Street. There was one fellow by the name of Pete Serdo came over and said that these fellows had visited him at his home.

Q. Who had visited him?

A. Romano and Schraiberg and those fellows. I don't know just the exact parties, but that outfit, ~~Mark~~, I mean that ~~he~~ couldn't peddle any grapes on Clinton Street unless he went along with them, and he could have to join the association and make a payment, I believe of \$1,000. And that all grapes would have to be purchased on an O.K. From Romano from Mark Adamson.

Q. That would be sometime around September?

A. Around September 11. And about that time I happened to be in Mark Adamson's office and talked over some things with him, and Pete Serdo was there. Mark said to Pete "You better go over to Tony. You know I can't sell you anything till you see him". Adamson went on and said

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There's going to be a new association on Clinton Street this year. This new outfit is not going to let these Italian and Indian people come in and handle their own stuff. We're going to sell it up the ship from Pittsburgh or New York or some place. All grapes that are peddled on Clinton Street will be bought through someone.

Q. That was in September?

A. Yes.

Q. That reminds me, in connection with that request I made of you yesterday for the names of all who are handling the Clinton Street grapes, can you give me that data for the entire season?

A. I am going to do that. I'll give you a copy of their track sheets. You will find a blank card now and then, and they belong to Nick Pankaleo. He asked us not to show his name. He didn't give any reason, but he asked us not to do it, and we complied with this request.

Q. These track sheets will be the best indication of what's been happening - if Adamson virtually controls the Clinton Street business?

A. I think that he started and nobody came down except the Palelies and a man by the name of Martini from California. He also came in and told us he didn't know whether he would have any more cars down in. He didn't come right out and say he had been approached or threatened, but we know that Romano talked to him.

Q. Well, are they the only ones that Romano talked to?

A. One of our brokerage salesmen said something about not being able to sell. He has an office. His name is Flood. I don't know his first name.

Q. Since then has that plan been made good? Are other people being allowed to sell it?

A. Yes, they are. I think that for some reason they have given up for this year, but they have made the remark that there would only be about seven or eight people allowed to peddle on Clinton Street next year.

There does Palcile buy from?

A. I don't know. He buys from the Victory Fruit Company, and several others. He buys and resells, or peddles them. He does a fair little business, also to city or town customers, and sometimes to customers here. He has four or five men.

Q. Has he an office on South Water Market?

A. No. He handles watermelons and other things during season. And I would say for the Palcile Brothers that I think they are two of the finest fellows in the business.

Q. Do the others handle other fruits?

A. Yes, most of them do.

Q. Don't they peddle vegetables on the same plan down there as at the Northwestern tracks?

A. Well, to a certain extent, and on the S. & E. L. tracks.

Q. Have you any other fruit business at the C. & S. W. tracks?

A. No, we don't.

Q. Your trade then, is confined to grapes?

A. Yes.

Q. I wonder why?

A. Lack of money in it. The way they intended it to work, is for the different peddlers to join this association for \$1,000, and have no more than the box, & they would have to buy all grapes through Adamson. For example, the shipper's price was 90¢, Adamson would ask from 90¢ to \$1.25, saying that you have to peddle them for \$1.35, so 15¢.

Q. They would fix the retail price?

A. Yes.

Q. Has that been done?

A. That was what they were going to try to do.

A. If I tried to buy grapes now, they would quote me no fixed price?

A. Yes.

Q. Due to variation in grades?

A. Yes. You might get a different price due to different grades. But their intention was to absolutely fix the retail price.

Q. You don't think that's been done?

A. No, something stopped them - maybe this investigation.

Q. You don't think there's any "shaking down" at the present time? That the peddlers are perfectly free?

A. I wouldn't say that. I would say that I know some of them won't give it, or haven't given anything, I am pretty sure.

Q. Do you know the names of any who have definitely given?

A. No, I don't.

Q. Have any of them ever complained to you about having to pay, or being approached and asked to pay?

A. Not to pay, but to have to go along with the association. This Romano is pretty smooth. He wouldn't demand money. He'd tell them this is to pay membership fees.

Q. Well, aside from the names you have mentioned, you couldn't say any more have been approached?

A. I believe Carl B. Cuttome.

Q. Is he an independent?

A. Yes.

Q. Is that his brother, A. Skitome?

A. No, that is Cuttome. This is Skitome. Then A. Martini was talked to,

Pink Pandale was talking.

Q. Who were the ones who wouldn't pay him off?
A. Palella brothers.
Q. Have they an office?
A. Palella brothers? No.
Q. Most of these peddlers have their offices in their bags, don't they?
A. Yet, never have any records.

Q. Where do they make their headquarters? Their homes?

A. Homes, relatives, or friends.

Q. Are any of these California people shipping now?

A. They all are.

Q. Well then, as far as eliminating the California people goes, that phase seems to have been dropped very definitely?

A. For the present, yes.

Q. And from your observation, you couldn't say they ever attempted to keep up the retail price.

A. Not at the present time.

Q. Then, all that Schreiberg and Romano are doing at the present time, as far as you can say, is conducting a legitimate grape business?

A. Yes.

Q. That seems awfully doubtful to me, does it to you?

A. It does to me.

Q. Think a legitimate business has enough in it to satisfy those birds?

A. No, I don't.

Q. At a guess, what would you say the ~~amount~~ of business is?

A. I think it's in the millions.

Q. They are just there, getting in the stores, getting ready to sell it next year?

A. Yes.

Q. Have they ever muscled in on any other business except this juice grape business?

A. Not that I know. I never saw them before. - Schmalberg I never met before, Romano I never met before. I know Kling before, him and his brother.

Q. In what connection did this threat of Roosman's to give all the business to the St. Paul road come out?

A. I understand that the State's Attorney's men went down there one day and picked up those fellows, searched them for arms, then some subpoenas were issued for some of those peddlers, and the next day Tony came up to me and said, "I understand that the Northwestern has made a complaint about me over to the State's Attorney's office." I said "How do you know?" He said "I have a way of getting that information". I said "Well, I don't think the Northwestern has made a complaint about anybody." He said "They are, and I am being persecuted". I said "That is a matter that should be handled by our police department". He said "I have no way to convey this message to your police department, and if the Northwestern don't quit persecuting me, and calling me a muscle man, I will take this business all over to the St. Paul tracks. I have been offered a bonus to go over there." I did convey the message to our police department and they told me that the Northwestern was not investigating him, but if the State's Attorney's office asked for records and information our police department would cooperate with them.

Q. Have they ever tried this expedient? That if the Northwestern was a bit laggard in settling a claim, they would go over to the Milwaukee tracks, which are adjacent to the Clinton Street tracks?

A. No. I settled practically all the claims, and this has never been done. I always dealt with Ferrara on the claim proposition, and he would say "Whatever you do

It's all right with me. I was always half and half, but we'd go along. The first year I went over there, in 1925, several attempts were made to kill me, but they didn't get by with it. Then I was told, "Well, we'll never let somebody else on the track here". They made complaints about me through a broker, tried to get me moved off the track, but it never worked. In the last four or five years they have never even made a proposition.

Q. At the time you were shot at, in what connection was that?

A. Well, we were closing up the cars, and I heard some shots on the crossing, saw a man running down the other side of the string of cars, threw my flash light, told him to halt. I saw the officers coming, but the minute I said "Halt", he shot at me.

Q. That has nothing to do with any of their activities?

A. No, I don't believe it did.

Q. Just an ordinary car thief?

A. No, they shot a man on the crossing.

Q. Is this fruit auction company confined to the sale of juice grapes? I understood they handled fruits and vegetables.

A. No, I think it's a separate concern. The United States Fruit Grape Auction. Irrgang is the auctioneer and I guess the main officer. I understand, in fact, I know that some peddlers from Clinton Street have gone over and bought grapes and peddled them.

Q. No objection to that, is there?

A. No, there doesn't appear to be.

Q. If they were to keep Irrgang off the Northwestern, I shouldn't think it very effective when the peddlers can go over there, buy the grapes, and have the cars put on your tracks. How do they gain anything by keeping Irrgang away?

A. Well, of course their main argument is that if the auction is in the same place where the peddlers trade, buyers will hear the railroad market price and are not willing to pay any more.

Q. They don't know it if the cars are brought in from another place?
A. That's it. If no auction is held on the middle road, there's no
difference. I think that's one reason.

Q. And if there's an auction, the commission men who are going to bid anyway?

A. Yes.

Q. This may keep the price to the shipper down?

A. Either up or down, according to supply or demand.

Q. Well, I think that probably Adamson is splitting with somebody.

A. It looks that way, he must be.

Q. Is Adamson the only broker?

A. Well, Schreiber and Rubin.

Q. Any others?

A. I don't think so. The other tracks, as I understand it, are not all
Italian, the way with the Northwestern. I think they're mixed, some Jews,

Q. You think that's the reason why they worked the Northwestern first?

A. It seems this north side gang were a little tougher. I guess they
thought they could get control.

Q. Uh, I see, it's a question of locality? Are they under the domination
of this gang?

A. Yes, I think Ferrara was with the Amilcos but Newberry is Capone.
There might be a part between them now.

Q. Newberry is recently Capone, isn't he?

A. Yes.

Q. I suppose they're linked up with the bootlegging trade?

A. There isn't any question about that.

Q. Of course, that's not the point right now. I wonder whether Romeo doesn't control all the Negro teams.

A. The Italians make their own, too. There's quite a little maneuvering about those track sheets. I will give you a copy from the first time the cars came over, up to the present time. I'll keep a copy of the end of the season for you.

Q. I wish you would. It may be possible that nothing will happen this season. It may be they're lying low waiting for next season.

A. That's the way I have it figured out now.

Q. Was King hooked up with Ferrara?

A. No. He was simply a peddler, although I have been told that Mr. King did pay Ferrara some money.

Q. Along with others?

A. Probably along with others.

Q. In this financing arrangement that they have, do these Italians pay for the use of the money, or do they go it on shares?

A. I think they hire some of those fellows by the week. The main ones probably split the profits. Ferrara used to work that way. Sometimes he would buy a car for a fellow, and split the profit.

Q. Have the Italians any secret organizations?

A. Yes. They won't talk. They'd deny that they told it to me. The two Belella brothers belong to the Masons.

I, F. C. Beutel, Assistant Claim Agent of the Chicago and North Western Railway Company have read the foregoing statement, consisting of 13 typewritten pages, containing questions by Mr. J. E. O'Neal, Special Assistant to the Attorney General, and the answers thereto made by me on October 17, 1930, and the same were made willingly, without threat or promise of reward, or immunity, and are true to the best of my knowledge.

Witnesses:

Albert Miller.

M. J. Little

Special Agents, Bur. of Invstg., Dept. of Justice

F. C. Beutel
F. C. Beutel.

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STATEMENT OF MR. F. G. BOYD, AGENT FOR THE
CHICAGO AND NORTHEASTERN RAILWAY COMPANY

Question (by Mr. O'Boyle) Mr. Boyd, will you please give me a general outline of the juice grape situation - if you like we can skip the terminals; and, in this connection, describe exactly the method of handling a carload of juice grapes received in Chicago by the Chicago and Northwestern Railway.

Answer. Well, the grapes arrive at what is known as our Wood Street yard and the consignee is notified, and usually the broker takes out the interested party, shows him the car, and if satisfactory, the deal is made. The car is then re-assigned to any Clinton Street yards for peddling purposes. Of course there are some shipments made by the shipper to himself at Chicago.

Q. How much is done that way?

A. Well, I think around 12 or 15% of cars received at Clinton Street, I would say that at least 25% of the cars are handled that way.

Q. They are what are known as the Independents?

A. Independent shippers and receivers?

Q. Who would you say are the larger independent shippers?

A. Well, there is Nick Patalbo, A. Martin is another, A. Skitton is another. And then there is this class of trade: where Independents like Palalla Brothers may have a connection with a grower in California, and enter into a contract for 25 or 30 cars; and there is a man by the name of Sam Romano who has some one in California ship to him direct, also Trott and Deture, and sometimes brokers or their representatives go to California, buy the grapes, and ship them in, and they are handled as they arrive here.

Q. These independent people have regular offices in Chicago?

A. I don't believe that any of them have regular offices. You find them on the tracks.

Q. Is that business largely a cash business?

A. Practically a cash business entirely.

Exhibit "C"

1-6

PACIFIC RURAL PRESS

CALIFORNIA FARMER

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MARGARET P. DEAN	Milk Goods

Chicago Racketeering and California

"THIS fellow Al Capone, seems to give the Chicago folk a lot of trouble," remarks the Californian.

"Yes, the poor boobs, he's got 'em buffaloed," chimed in his neighbor.

"Ho hum. Poor old Chicago."

And California turns back to introspection of local affairs.

And yet, it appears that racketeering in Chicago is a local affair for California.

Because the racketeers exact a toll of \$60 on every car of grapes sold in the second largest market in the country.

Because grapes are used for wine making, the racketeers probably figure that California will do its growing in private.

And mayhap they don't care if California does

And likely the drayage tolls also include some racketeering charges.

And doubtless there are many tolls other than those.

Seems to need a little attention, does it not?

THE Chicago Daily News of September 22 has a very interesting story about Al Capone and his racketeering government of Chicago.

The article uses many names, both of racketeers and of their lawyers and collateral assistants.

It intimates that policemen drink with racketeers for whom the police are looking, and apparently the booze is such as the policemen cannot see the racketeers well enough to identify them.

Men scour the city with looking for racketeers, while evidently the newspaper men meet them on the street and talk to them.

Here is a little of the News article. Wish we had space to reproduce all of it:

The main source of revenue is the beer and booze business.

Jake Gunkel, supplying the loop district, is the main beer boss. Jake got his start as a watch boy in a bawdy house and became allied with Capone in the days when they both took orders from Johnny Torrio. Now he dwells in state at a downtown hotel, has ambitions of entering society and forgetting the sordid details which have given him his wealth.

Gusiek has his miniature breweries and his up-an-alley distilleries where his beer and whisky are made. He has brewers and distillers. He has his roughneck crews who deliver the whisky and beer.

And he has Harry ("Greasy Thumb") Gusiek, his brother, and Hynde ("Cloud Mouth") Levin, as his personal representatives for the loop. Harry and Hynde, accompanied by their gorillas, make the rounds of the loop regularly. Even when they buy a drink for a policeman, he can't see them with sufficient distinctness to arrest them. They move about with the caution of a five-ton truck, with efforts at concealment scarcely surpassed by a brass band marching down a busy street.

They do such soliciting as is necessary and they do all the collecting. Monday finds them regularly in the loop. Monday finds them—but the police don't.

CHESTER ROWELL has said many times that racketeering will be stopped in Chicago when the "good" citizens want peace more than they want booze. So long as they demand the liberty of a drink they will have the "license" of the racket.

Perhaps most of us have thought of it as a local problem. But it is more than that.

If the racketeers exact toll on grapes how long will it be before they demand it on other fruits and vegetables?

canned goods.

Good luck to the endeavor.

Henry Hobson, formerly of the State Market Office, once made inquiry along this line and found a lot of response among cooperatives of the Middle West.

"If you do it you will make the middleman score," some one says.

Possibly. But whom are we trying to please, the middleman or ourselves?

Perhaps we could give the middleman his regular cut and do it with his cooperation.

Has anybody tried?

Light Needed on Fish and Game Policies

A COMMITTEE of the legislature has been investigating the Fish and Game Commission.

The murmuring is that sportsmanship is not as high as it might be.

Meanwhile the Farm Bureau has been causing the Fish and Game Commission annoyance by demanding to know what they propose to do something about deer damage. The last Legislature gave them authority to protect farmers who have heavy crop damage from deer, but the game commission has produced nothing more substantial than explanations.

A subscriber writes from Oroville. He wants to have a bird refuge but he charges that he gets no help from the commission and less from the sportsmen.

We do not profess to know anything about the merits of his case, but he describes something which seems to indicate a need and something which stirrs the heart. Observe the picture which paints it. Quail and doves feeding on his fence, look out of the breakfast window and see the signs posted on his place to keep foot hunters but hunters not keeping out.

If the mission of the commission is to preserve wild life, the question arises as to whether a case such as this just described should not receive an active and effective support of the commission.

Protection should be a two-way thing. Agriculture must be protected against animal depredations by wild life. By the same token it should have effective rights in protecting wild life when producers want to make a refuge of their land for such creatures.

It has been charged many times that the commission policies do not make good faith about anything.

If this is true, the public deserves to know. If it is not true, the commission should have the facts known.

The matter ought to have light.

Chicago in power and they may think they are bigger than any mere state.

At the \$60 toll on every car of grapes in entered and collected. If you want to get along without a little trouble of the racketeering variety you pay it.

Of course the money is collected off the buyer of the grapes, but that means that the paying party of the first part pays the bill. The paying party of the first part is always the farmer. What? him, he's only a boob."

* * *

MD: the racketeer's toll is not the only one in Chicago, the toll city.

There is a \$60 switching charge in Chicago when lots many grapes.

Grapes come into that city over many lines. They are yarded by themselves. If they are sold and switched back to the same railroad over which they came in, well and good, but if it is necessary to switch them to some other line for convenience, the \$60 swit depends on the car. Mr. J. Weston, the market chief of California observes these things in a trip around the markets in Chicago.

Just why the \$60 switching charge for grapes, while other fruits and vegetables pay only \$12.50 a car, no one seems to know. Seemingly no one has troubled much to protest. It would appear to be time to raise a question here.

Obviously, tolls like this find their way back to the grower, in the price the buyer is willing to pay.

A toll of \$60 for the racketeers, plus a possible \$60 switching charge is \$110 per car.

Pretty heavy toll in the toll city of Chicago.

Exhibit "D"

turned out to be general lawlessness. Originally a moral problem, it graduates into an economic one.

Racketeering rests originally in booze, prostitution and gambling—the illegal things—but the appetite of growing crime is insatiable.

It is said that in Chicago if a cleaner and dyer does not "lay it on the line" some one may sprinkle acid over the clothes of his customers and bring him to time.

The practice of "munceling in" grows.

Where will it stop and when and how?

* * *

FROM time to time this paper has made a nuisance of itself suggesting that there are other markets in the United States besides New York, Chicago, Philadelphia and Boston.

There is a market beyond Podunkville—the market of the farmer.

This year we might have sold a lot of peaches on the sidings of the country for home canning. But no one took the problem up.

We might sell table grapes that way if we tried.

We could probably sell a world of dried fruits in 10 and 20 pound boxes to the farmers of this country if we set out to do it in an intensive way, but we do not do it.

There are a world of farm cooperatives in this country that might take a carload of our farm products if the thing were pushed. Such a project would not have to pay so many tolls as Chicago exacts.

P. E. Laney, of the Butter Cooperative Growers, is sending a man into the Middle West small towns to try this very thing in the matter of

SOME time ago a prizefighter "murdered" another prizefighter in San Francisco. Did it for money.

It was not called murder in the newspapers, but the victim is just as dead as if his assailant had clubbed him with a gas pipe instead of his fist.

About the same time two men and a woman descended upon a recluse in a Bay county and clubbed him to death. Did it for his money. One of these men was a prizefighter, according to the newspapers.

One of the prizefighters was exonerated.

The other has a good chance of having his neck stretched.

The main difference seems to be that one of these murderers had the sanction and sponsorship of the State.

The San Francisco grand jury is investigating the state-sponsored murder. Don't try holding your breath until it fixes responsibility.

The San Francisco News indulges in some quiet talk in its editorial page. It says:

"However, everyone seems to agree that the boxing business is not, at present, honest and decent, which is fairly convincing evidence that the State Athletic Commission is not doing the job for which it was created. And that, if true, is a condition that should not be tolerated. The job may be too difficult for any commission to handle properly, or the present commission may not be competent, but, at any rate, there's something seriously wrong."

"One of the commissioners, Charles F. Trating, has been talking mysteriously about being 'propositioned.' But he refuses, by advice of counsel, to be specific, and he apparently has no intention

THIS CASE ORIGINATED AT

Chicago, Illinois

REPORT MADE AT:	DATE WHEN MADE:	PERIOD FOR WHICH MADE:	REPORT MADE BY:
Chicago, Illinois	Oct. 23, 1930	Oct. 21-23, 1930	ALBERT MILLER
TITLE:	CHARACTER OF CASE:		
MANNY SCHRAIBERG; TONY ROMANO; JUICE GRAPE INVESTIGATION			ALVEI TRUST MATTER

SYNOPSIS OF FACTS:

two checks in the amount of \$700. received by Agents from Charles W. Irrgang and deposited in joint checking account in the National Bank of Republic, subject to checks of Agents Little and this Agent. Freight car number WRX9295 "sold" at auction to Joe Roman (Agent Dilillo) who with Agent Palmero will pay freight same out of money received from Mr. Irrgang, amounting to \$616.24, and who will peddle said grapes at the juice grape track and await developments as to demand for payment of tribute. Duplicate team track sheets furnished by F. C. Beutel, Assistant Claim Agent for attention of Mr. Oseas. V. C. Taggart and employees of Fry Brokerage Company interviewed, who could only submit hearsay evidence of rumors of collection of tribute at C. & N.W. tracks, Lead Chicago.

- P -

REFERENCE:

Report or this Agent dated Chicago, Illinois, 10-22-30 and telegram from Director dated 10-20-30.

DETAILS:

AT CHICAGO, ILLINOIS.

DETAILS

This is a joint report of Agent M. T. Little and this Agent.

In accordance with reference telegram Agents Little and this Agent contacted Mr. Charles W. Irrgang on the morning of 10-21-30, who handed Agents check number 375 in the amount of \$600. drawn on the Commerce Trust Savings Bank, dated 10-21-30, payable to the order of Charles W. Irrgang and signed by the United States Fruit Auction Company, by Charles W. Irrgang.

DO NOT WRITE IN THESE SPACES

APPROVED AND FORWARDED:	J. X. Fay ^{act} SPECIAL AGENT IN CHARGE	62-24153-30	RECORDED AND INDEXED: 1001 2-15-30
COPIES OF THIS REPORT FURNISHED TO:		BUREAU OF INVESTIGATION OCT 25 1930 A.M.	CHECKED OFF: OCT 30 1930 SICKETED: 114
③ - Bureau 3 - Chicago <i>K. J. B. S.</i>	<i>Copy</i> <i>Recd. Oct 25 1930</i> <i>by [unclear]</i> <i>10-28-30</i>	DEPARTMENT OF JUSTICE ROUTED TO: <i>[initials]</i>	

President, E. H. Mills, Secretary-Treasurer, and approved by F. D. Moore bearing the endorsement of Charles H. Irrgang. The said check was used in paying the freight charges and the tribute, if demanded, on a carload of juice grapes in accordance with outline submitted by one Director in letter from this office dated October 17, 1930 and in accordance with telephone conversation had by Acting S.A.C. Fay with Mr. Wincent Hughes on 10-20-30. The said check was taken to the Chicago Bureau Office and in accordance with instructions of Acting S.A.C. Fay same was deposited for collection in a joint checking account started in the National Bank of the Republic of Chicago on 10-21-30. Said funds are subject to withdrawal on order either of Agent Little or this Agent.

Later in the day, Agents learned by telephone from J. C. Rocca financial representative of Mr. Irrgang (Lafayette 9000) that the freight car of juice grapes "knocked down" at the auction in the name of Joe Roman (alias used by Agent D. DiLillo in this investigation) was car number WPK9295 - a car of white muscat juice grapes of excellent quality. Mr. Irrgang informed that the price of juice grapes had improved a little, and that the price of the juice grapes in the above described car would be \$1.00 per lug, and he stated that it would be well to start selling the said grapes at either \$1.10 or \$1.15 per lug in order to insure rapid movement.

Agents DiLillo and Palmer ascertained that the freight on the said car of juice grapes amounted to \$618.24. Therefore, with the approval of Acting S.A.C. Fay Agents Little and this agent contacted Mr. Irrgang again and secured another check in the amount of \$100.00 dated 10-23-30, which check has been deposited in the joint account of Agents Little and this Agent.

Agent telephoned to P. D. Beutel, Assistant Clerk Agent of the C. & N. W. Railway, who called at the Chicago Bureau Office on 10-23-30 and Mr. Beutel examined the typewritten statement of questions which had been propounded to him by Mr. F. D. Rocca, Special Assistant to the Attorney General, and misanswers to the same, which was written up in the form of a statement, and after examining the same and making a few minor corrections, he signed the same in the presence of Agents Little and this Agent. This statement is attached to the reference report as "Exhibit C".

2D

-3-

In accordance with the request of the Chicago office, the undersigned handed Agents duplicate copies of the C.M. St. P. & P. railroad blank sheets showing daily receipts by that company of grapes for the period from September 14, 1930 through and including 10-2-30. These sheets, Mr. Beutel explained, reflect total receipts of cars placed on the juice grape tracks of the C.M. St. P. & P. railway and include different commodities in addition to grapes, such as other fruits and vegetable hay. On some of the sheets the space under the word "consignee" is blank, and Mr. Beutel advised that the blank spaces represent shipments of juice grapes consigned to Nick Pantaleo of Modesto, California, to himself at the C.M. St. P. & P. team track. These spaces were left blank, Mr. Beutel explained, in accordance with specific request by Nick Pantaleo for the reason, as Mr. Beutel believes, that Pantaleo did not desire his competitors to know exactly how many cars were consigned to him in Chicago. These sheets are hereto attached to this report for the attention of the Department, and cover period of 44 days.

Agent communicated with Mr. Charles J. Smith, manager of the DiGorgio Fruit Company of 1425 S. Racine Avenue, Chicago, Illinois, by telephone. Mr. Smith advised that he has not been able to learn the identity or the address of "Phil" referred to on page 16 in report of Special Agent R. N. Butterworth dated Chicago, Illinois, 10-2-30, and in the event Mr. Smith does learn of the identity of "Phil" he will communicate with this office.

Agent interviewed Mr. Larry Archer, Chicago representative of the American Fruit Growers Exchange, 1425 S. Racine, by telephone. Mr. Archer had previously advised Mr. Oseas and these Agents that he had a carload of juice grapes placed on the C.M. St. P. & P. railroad juice grape tracks for the purpose of being sold to juice grape peddlers. Mr. Archer stated that his men on the juice grape tracks received several offers of 20 and 35 cents per lug for the said grapes from various peddlers which would amount to approximately \$15. per ton below the present market price of juice grapes. No further offers were received, and after leaving the car of juice grapes on the Milwaukee tracks for two days the same was diverted to Pittsburgh, Pa. Mr. Archer stated that the reason the said car was not switched to the C.M. St. P. juice grape tracks for sale there was because it would cost their company between \$60 and \$70 as a switching charge, whereas to ship it through to Pittsburgh, Pa. would only cost them approximately \$10. for icing.

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On 10-21-30 Agents interviewed Mr. W. J. Taggart, 1428 S., and Paul Kennedy, and James Flood, telegrapher of the Fry Brokerage Company at 1440 S. Racine Avenue. Mr. Taggart stated that he is familiar with the juice grape situation as it prevails now and for the past four or five years in the Chicago district, and confirmed what has been heretofore stated by Mr. Irrgang and others interviewed, namely, that Mr. Taggart, has received indirect information to the effect that Subjects, with Fred King and Nathan Rubin, are engaged in a "racket" on the tracks of the Northwestern railway at present under which grape peddlers are forced to pay tribute of \$50 per car to Subjects and their representatives. Mr. Taggart could furnish no names of individuals who could likely furnish direct information in this regard. However, Mr. Taggart stated that prior to the commencement of the juice grape shipping season this fall, Mark T. Adamson, a commission broker, 1428 S. Racine Avenue, heretofore mentioned in reports in this case, made the statement to Mr. Taggart that he, Adamson, had contacted directly with Al Capone and that arrangements had been made between him and Capone whereby Adamson would head a "corporation" which would completely control the marketing of juice grapes on the tracks of the C. & N.W. Railway. Mr. Taggart stated it was his impression that Adamson was intoxicated at the time he made this statement and he did not "take much stock" in Adamson's recitals.

Mr. Taggart stated that Subjects and their association are operating some kind of organized racket on the C. & N.W. tracks at present, and it is his opinion one of the methods of operation of this gang is to distribute the business of grape buying by peddlers under the domination of this gang to certain of the brokers in addition to Mark Adamson. In this manner, peace is preserved amongst the brokers even though the free contract between buyers and brokers is interfered with and the progress of the business on the Northwestern tracks is handled by Mark T. Adamson. In support of this, Mr. Taggart stated that his company has during the present season received numerous orders for grapes from one John Russo, amounting to approximately a carload a day, and that in other seasons, this man conducted only a very small business and purchased none of his grapes from the Fry Brokerage Company. Mr. Taggart further stated he has received from various sources, which he could not recall, information to the effect that Frank Raia and Amatore Dejicia (addresses unknown) have been forced by the gang on the Northwestern tracks to leave those tracks and that Raia is now conducting his business on the tracks of the Chicago, Rock Island, and Pacific

VJ

DeJolio, and DeJolio is located on the tracks of the Rock Island and Santa Fe. Mr. Taggart stated that in the month of October 1929, DeJolio's, whose first name is Frank and whose last name and middle name are unknown, was shot three times while resisting efforts of John Ferrara and his gang to eject him from the Northwestern tracks. With respect to Ferrara, Mr. Taggart stated that there can be no question but that he has a lieutenant in Joe Aiello; the cashier's checks signed by Aiello were frequently received by the Fay Brokerage Company in payment of carloads of juice grapes delivered direct to Ferrara. Mr. Taggart furnished to Agent the names of the principal buyers of juice grapes who purchase their grapes from the Fay Brokerage Company. The local addresses for these buyers were unknown to Mr. Taggart, their names being as follows:

Tony Spalla - Santa Fe tracks
Mike Vinci - " "
Joe Boardini - "
Charlie Barbara - Rock Island tracks
Vincent Damore - Northwestern tracks
Carl LaSalle - "
Galla Brothers - "

Mr. Taggart stated that the Fay Brokerage Company is the Chicago representative for the following California grape growers and shippers: Nehls and Huhner, Fresno, California; Federal Fruit Distributors, Fresno, California; D. H. Finn, Lodi, California; William Pabst, Ontario, California; L. K. Small Company, Los Angeles, California; G. J. Davis Fruit Company, Fresno, California; Marshall Mueller, Lodi, California; E. J. Foley and Company, Fresno, California.

Mr. Taggart stated he would not be willing to make any written statement or complaint in regard to the juice grape situation which would contain any names of individuals, but that he would in the very near future prepare and submit to this office a statement outlining the situation as the same is known to him, omitting names, however, but setting forth the manner in which the activities of the various gangs have affected the business of the Fay Brokerage Company during the past several years. Mr. Taggart indicated that inasmuch as his company sells juice grapes at present to members of the gang controlled by Subjects, it would not be "good business" for it to become known that he is actively engaged in transmitting information to the Government in connection with the instant investigation.

Mr. Paul Donnelly, sales representative of the Jay Brokerage Company, and who conducts the business of that company on the tracks of the Rock Island and Santa Fe railroads, was present during the interview above set forth with Mr. Taggart, and confirmed statements made by Mr. Taggart. Mr. Donnelly could not furnish any specific instances where demands for tribute had been made or money paid, but affirmed that this practice is doubtless in existence at the present time on the tracks of the Northwestern railway, and stated further that in the present season some efforts had been made by subjects to put into effect the same general scheme on the tracks of the Union and the Rock Island railroads, but had met with such strong opposition from independent buyers and peddlers that it had been abandoned, for the present at least.

James Flood, sales representative of the Jay Brokerage Company on the tracks of the Northwestern railway was interviewed also by agents. While Mr. Flood is in daily contact with the buyers and peddlers on the Northwestern tracks, and is familiar with the conditions prevailing on those tracks, and while stating that he has likewise heard rumors of the racket now in progress, he could furnish no specific names or cite instances in which tribute had been demanded and collected, except that in one instance during the past season a man known to Mr. Flood only as Frank, but who is believed to be a partner of Dejicia told Flood that he had been forced to pay \$50 per carload to Subjects for the privilege of selling grapes on the Northwestern track. It is Mr. Flood's opinion, however, that this informant and his partner Dejicia are in league with Schraiberg and Romano, and could not be trusted in any way to furnish information in regard to the racket. Mr. Flood stated further that Fred King informed him recently that the "gang" had blown up. Mr. Flood stated that he has never observed any strong arm methods on the Northwestern tracks, and so far as he has been able to discover, Romano and Schraiberg are simply engaged in buying and selling carloads of juive grapes. Mr. Flood stated that Mark T. Adamson controls nearly all of the brokerage business on the Northwestern tracks and that his representative on those tracks is Bill Reardon. Mr. Flood added that the firm of Palella Brothers do a large business on the Northwestern tracks and purchase practically all of their supply from Mark Adamson, and that while Palella Brothers could doubtless furnish information concerning the racket, if the exists, and had verily in this season made a complaint with respect to the existence of the alleged racket, nevertheless it was Mr. Flood's opinion that Palella brothers were now directly allied with Mark T. Adamson, and with Subjects Schraiberg and Romano and would not cooperate with the Government in their work, in fact, would attempt to block efforts to obtain information.

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UNDEVELOPED LEADS:

The CHICAGO Office will carry out leads that worth investigating report, but in this connection interviews will not be had with the Italian juice grape buyers and sellers until such time as the sale of grapes by Agents DiLillo and Palmera shall have been completed, for the reason that it is believed that any interview had with Italian buyers or peddlers at this time will have the effect of putting the subjects and their Agents, as well as Italian peddlers, on notice that the Government is engaged in investigation.

- Pending -

70-100
62-24153-31

OCTOBER 28, 1930.

MEMORANDUM FOR THE ASSISTANT TO THE ATTORNEY GENERAL, MR. O'NEAL

Attention: Mr. Oceans.

For your further information in connection with the investigation entitled MARY SCHRAIBER; TONY ROMANO, CHASE CHECK INVESTIGATION, there are enclosed herewith copies of two reports made by Special Agent Albert Miller at Chicago, dated October 22nd and 23, 1930, respectively.

Attached to the October 22nd report are Exhibits A to C as described in the report.

Attached to the October 23rd report will be found 34 duplicate train track sheets furnished by P. C. Bentel, Assistant Claim Agent for the Northwestern Railroad as requested by Mr. Oceans.

Very truly yours,

Director.

Incl. #425000.

RECORDED

62-24153-31

BUREAU OF INVESTIGATION	
OCT 29 930 A.M.	SEARCHED
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OCT 28 1930

R. E.

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60-34183

October 28, 1930.

RECORDED

MEMORANDUM FOR MR. EUGENE BOLES, Acting Head,
Criminal Division.

OCT 30 1930

For your further information in connection with the investigation entitled MANNY SCHAIKES, TONY ROMANO, JUICE GRAPE INVESTIGATION, Antitrust Matter, there are enclosed herewith copies of two reports of Special Agent Harry Miller, dated October 22nd and 23rd, respectively.

Very truly yours,

Director.

Enc. #228810.

SEARCHED INDEXED
OCT 28 1930
JMB

EDITION NO. 1
THIS CASE ORIGINATED AT

CHICAGO.

REPORT MADE AT:	DATE WHEN MADE:	PERIOD FOR WHICH MADE:	REPORT MADE BY:
Chicago, Illinois	October, 1930	1930, Oct 27/1930	SPECIAL AGENT DILILLO
TITLE: MANNY SCHRAIBER, TONY ROMANO; OJUCO-GRAPE INVESTIGATION		ANTI-SUBST. MAFIA	
SYNOPSIS OF FACTS:			
<p>Carload of juce grapes sold by Agents Dilillo and Palmera for a total amount of \$928.50, representing a loss of \$104.95. Observations of Agents Dilillo and Palmera made during sale of said grapes set forth in detail herein. No threats of any kind or malfelections for tribute made to Agents by any parties. Signed statement obtained from Perry Stern, Asst. to C. W. Irrgang and attached hereto as Exhibit "A". Summary of monies received and disbursed in connection with the sale of the carload of grapes set forth herein. Signed statement furnished by Mr. Irrgang and attached hereto as Exhibit "B".</p>			
REFERENCE: Report of Special Agent Albert Miller, Chicago, Ill., October 25, 1930.			
DETAILS: <u>AT CHICAGO, ILLINOIS.</u> This is a joint report on behalf of Special Agents S. Dilillo, W. R. Palmera, H. T. Little and Albert Miller.			
APPROVED AND FORWARDED: <i>J. X. Fay</i>		DO NOT WRITE IN THESE SPACES	
COPIES OF THIS REPORT FURNISHED TO: 3 - Bureau 3 - Chicago <i>Copy to 6 Division 10-31-30</i>		RECORDED AND FILED 62-24753-32 661 18 100	
COPIES DESTROYED 120 JUL 27 1964		SURVEY OF INVESTIGATION OCT 81 1930 A.M. DEPARTMENT OF JUSTICE ROUTED TO: Dir. Enq. <i>MAX</i>	CHECKED OFF: NOV 4 1930 JACKETED: <i>m</i>

The following investigation has been conducted by Agents Dilillo and Palmera:

On October 31, 1930 Agents were informed by Agents Miller and Little that, in accordance with pre-arrangements made by them, Charles W. Irrgang of the U. S. Fruit Auction Company had sold at auction to Joe Roman (the assumed name of Agent Dilillo), a carload of juice grapes, the car being initialled and numbered WXX-2295, known as Lot #7 and containing 1040 lugs of "Muscat" at \$1.05 per lug, or a total of \$1092.00, including freight charges in the amount of \$416.24, to be paid by the purchaser at the time of release. The said total shipment did not include, however, the amount of \$31.00, representing "terminal charges".

Agents were also informed that they received a draft from Mr. Irrgang in the amount of \$600.00, a full description of which will be given by Agents Miller and Little, so as to pay the freight charges at the time the car was released, and also to pay whatever tribute would be demanded by any of the persons operating in the juice grape racket on the Chicago and North Western Railway team tracks on Clinton Street, Chicago. Mr. Irrgang made it understood that the freight charges to be paid on the carload of juice grapes herein described would amount to from \$550.00 to \$575.00. The freight car was to be transferred from the tracks of the U. S. Fruit Auction Company to the team tracks of the Chicago and North Western Railway at the location herein given.

Upon the suggestion made by Mr. Irrgang and conveyed to Agents by Agent Miller, Agents Dilillo and Palmera, as Joe Roman and Giorgio Rusutto, called at the freight office of the Chicago and North Western Railway Company and informed Mr. Schultz that Roman had purchased a carload of juice grapes which would, no doubt, arrive at the Clinton Street freight station the following day. Agent Dilillo begged of Mr. Schultz to place the car in a conspicuous position so as to facilitate the business ventures. Mr. Schultz informed Agent Dilillo that he could favor no one and that Agent Dilillo was so unsatisfied with the position in which the car arrived,

On the morning of October 32, 1930 Agents again called upon Mr. Schultz, who, after examining his records, stated that the car had not yet arrived. When asked as to the approximate date on which the car would arrive, Schultz said it would be possibly within the next two or three days, as the car would, in all possibility, come to Chicago via Joliet, Illinois.

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Notwithstanding the information received from Agent Little, Agents visited the team tracks and located the car. It was numbered and initialed WXL-2800, was addressed to Joe Roman and was placed on track #4. The finding was brought to the attention of Mr. Schulz, who stated that he would not release the car unless Joe Roman furnished either a bill of sale, a release order or a bill of lading with the transfer, the Agents were not supplied with any of the said papers, Mr. Irrgang having stated they were not necessary as the car had not been released.

The bill of sale and the release were subsequently secured by Agent Little at the office of Mr. Irrgang and were turned over to Agents. The release was signed by Frank Romeo.

On the afternoon of October 23, 1930 Agents returned to the freight office of the Chicago and North Western Railway on Clinton Street and again attempted to have the car released to them, to no avail. It was then found that the freight charges to be paid amounted to \$616.24 instead of \$550 or \$575.

Out of the draft in the amount of \$800, furnished by Mr. Irrgang, Agent Dilillo was furnished with \$590.00, which amount did not cover the payment of the freight charges and the expected demand of a \$50 tribute.

Agent Miller, therefore, again contacted with Mr. Irrgang, who furnished an additional draft in the amount of \$100, a more complete description of which will be given by Agent Miller. Out of the latter draft Agent Dilillo was furnished with \$75 on October 23, 1930.

On October 25, 1930 the car of juice grapes was finally released to Agents upon payment of freight charges in the amount of \$616.24, which amount was paid to Mr. Schultz in the presence of Agent Palmera and a Chicago and North Western Railway employee, who was addressed by Schultz as "Fred". "Fred" accompanied Agents to the car located on track #4. The car was found coupled to a Pacific Fruit Express Company car numbered 32811, consigned to one Joe Caruso, Chicago, and directly opposite to a car consigned to Calogero Cutillo, also Chicago. The latter mentioned car contained the same quality of Muscats ("Tiger" Brand) produced by the Mahoney Fruit Company, Selma, California as those sold to Agents. This latter mentioned car was in charge of one of Cutillo's nephews, also named Cutillo (first name not known). The car consigned to Joe Caruso, on the other hand, was in charge of a short, red headed Sicilian whose name is believed to be Salerno.

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Salerno, young Cutillo and a Welshman whose name could not be learned, assisted Agents in cleaning and marketing, as well as the displaying of the grapes for sale. The grapes did not appear to Agent Cutillo to be of the first quality due to their color and the lack of sugar. Agent Cutillo remarked to Agent Palermo at the time that \$1.05 per lug was an excessive price. Salerno, Cutillo and the third Sicilian also stated, then and there, that the grapes were not of the first quality, adding that in all probability they would not sell at more than \$1.00 per lug retail. When they were advised, upon request, that the grapes cost \$1.05 per lug, plus 3 cents per lug for auctioneer's fees, they stated that the auctioneer had played "a dirty trick" on Agents and that the Agents would, no doubt, lose money on the deal. They estimated that Agents would lose from \$50 to \$100 on the entire car of Juiced grapes. A most amiable spirit existed between Agents, Salerno, Cutillo and others throughout the entire day. These persons honestly sought customers for Agents' grapes, and merely to prove that they suspected nothing of Agents' presence at the yards it is well to state here that Cutillo invited Agents - if they had any more money left - to go with him in the restaurant and liquor business. Calogero Cutillo, who had five carloads of grapes to be sold, was not later and sympathized with Agents in the bad buy they had made, adding that he too had made a similar bad purchase.

It was during a conversation with young Cutillo that the latter ~~voluntarily~~ warned Agents as follows: "Do not pay anything to anyone, not even ten cents worth of graft". During a conversation later had with Salerno, he was asked if all the persons there engaged in the grape business were Italians. Salerno replied in the affirmative, adding however, that there was only one Jew who was in partnership with an Italian. Very shortly after a man who answered Subject Romano's description chanced to pass by, whereupon Salerno stated, "There goes the Italian who is in partnership with the Jew". Subject Romano was looking at all vendors on the platforms, and though he observed Agents he did not approach nor speak to them. Subject Romano again passed by in a Ford automobile with a younger man, who only looked on.

About twenty persons stopped, looked, handled and tasted the grapes on display, but no one made a purchase, stating that \$1.10 per lug, the price agreed upon to be demanded, was too much. It is to be noted here that no buyers were had by Cutillo for the identical quality of grapes which he was selling across the platform.

The findings of the day were, during the evening of October 23, 1930, brought to the attention of Acting Special Agent in Charge Frank X. Fay and Agents Miller and Little. Agent Miller

communicated by telephone with Charles W. Irrgang who suggested that the price of the Jules Grapes, namely \$1.20 per lug, be raised about 2 P. M. of Saturday, October 15, 1938, and that subsequently be dropped to \$1.40 per lug.

On October 14, 1938 at 7:30 A. M., car MDT-22316 was located between cars initialized and numbered PTA-2211 and PTA-11637; the former was assigned to Joe Caruso, while the latter, bearing no tag, was in charge of a man named Napoletano, meaning man from Naples, the correct name unknown. Car initialized and numbered PTA-2211 was immediately followed by car initialized and numbered MDT-22316, in charge of Anthony Mirabelli. Directly opposite to car numbered and initialized MDT-9295 - Agents' car - was located a Union Refrigerator Transit Company car number 96609, in charge of Philip Morezno who claimed ownership of the contents of same. The grapes sold by Morezno were produced by the Fresno Grape Exchange of Fresno, California. Car initialized and numbered PTA-2211 had only a few bags which lugs were taken away in a truck bearing the name of Joe Caruso.

Philip Morezno examined the Muscats contained in the car belonging to Agents and described them as being of a very poor quality. He stated that they were too green, that they were sour, that the berries were rather small and that instead of containing 25% sugar, they only contained 20% sugar. When informed, upon request, as to where Agents purchased the grapes, Morezno stated that they (agents) had not been given a square deal; that the grape auctioneers are not interested in the welfare of the grape buyers, and suggested that being inexperienced in the grape business, Agents should have paid a sum of money to some confident person and instructed him to buy for them, the most marketable grapes. It is well to note at this point that the latter suggestion by Morezno had been advanced by Mr. Irrgang when the investigation was in its inception. Mr. Irrgang, however, for a reason unknown changed his mind and sold the car of grapes to Rocca (Agent DiLillo) without giving the latter the opportunity to examine the same.

The comments as to the poor quality of grapes sold by Agents, made by Morezno were reiterated by one Rocca who stated that he knows the Rocca employed by "the German" of the U. S. Fruit Auction Company, but that he is not related to him. He also stated that a man must watch "the German" very closely; that "the German" is the most important factor in the auction, having invested his money in it. The German, according to Rocca, may do anything to further his interests. As to the Rocca employed by "the German", the Rocca at the yards stated he is honest, but he does not amount to much in the auction, he being merely "the German's bookkeeper".

Subject Romano was seen passing the "Bar Three Grapes," always followed by another man, possibly his bodyguard. Approximately forty people visited the car of juice grapes, handled the grapes and tasted some, but left without purchasing, or even settling the price. No sales were made on October 26th during the time the bar was kept open, that is from 7:30 AM. to 5 PM.

On the morning of October 26, 1930 at 7:30 AM. Agents' car was located between cars initialised and numbered MDT-28316 and PFE-11637, in charge of Anthony Mirabellis and the Napoletano, respectively. Car initialised and numbered PFE-11637 was followed by car initialised and numbered Santa Fe-19209, in charge of a Piedmontese, meaning a man from Piedmont, Italy, whose name could not be learned. Directly opposite Agents' car was located car initialised and numbered PFE-11722, which was opened at about 7:30 PM. by a short, young Sicilian. It was a new shipment of Malaga grapes which arrived during the night. The Malaga grapes were of fine quality, so much so, that the persons unfamiliar with grapes bought the same as Muscata. The vendor had no fixed price and sold the Malagas from 90 cents to \$1.10 per quart. The grapes moved so fast that at 11 AM. he had sold about one half of the car.

At 11:30 AM. Subject Romano followed by his escort, walked through the platform in a westerly direction. Subject Romano was observed by the short young Sicilian in charge of the car, No. PFE-11722, who appeared to be much disgusted by Subject Romano's presence. Subject Romano again walked past the platform, going towards the east. He stopped in front of car PFE-11637 and spoke to the Napoletano. The latter was observed by Agent Dilillo handing Subject Romano a certain amount of money and a white paper. The money and the white paper were pocketed by Subject Romano who proceeded in an easterly direction. The short Sicilian who with Agent Dilillo saw the passing of the money remarked that the Napoletano was working for Subject Romano.

At 12:15 PM. Subject Romano followed by his escort again approached car PFE-11722, directly opposite to Agents' car. He stopped right in front of it and yelled "Who is handling this?" The short Sicilian man pointed to another person, also a Sicilian, standing nearby, whereupon Subject Romano and his escort entered the car and invited the owner into the same, taking him to the further corner so that they could not be seen or heard. Five minutes later Subject Romano's escort left the car and ran in an easterly direction returning soon after with a tough looking customer followed by a third Sicilian whose name it was subsequently learned was Aspano. Subject Romano's escort and the tough looking man entered the car. Aspano remained outside.

In the meantime Anthony Mirabelllo, who was away from the car, inquired as to what was going on in the same and upon being informed of Agents' ignorance on the matter he volunteered information that the man who entered the car was Romano, a man, and who, too, had interests in the fruit. Mirabelllo added, possibly something wrong had occurred and he added, "We will know it some day".

Subject Romano and his associates were evidently talking to the owner of the car in the far corner of same, while the third man kept the people away from the entrance. A fifth man then came up, evidently looking for someone. He was told by Mirabelllo that the person he was looking for was in the car. The man entered the car. It is not known whether the fifth man was looking for Romano or the owner of the car.

Subject Romano and his party left the car about one hour later and went away. The owner of the car also came out with the fear of God painted over his face. He was questioned by Mirabelllo in the presence of Agents as to what had occurred but he did not reply one word.

Subject Romano passed by Agents' car and looked in on several different occasions and at 4 PM. he again stopped and spoke for a few minutes with the owner of car initialled and numbered PPK-11Y22, and, thereafter, with the Mapolotano. By that time Agents had been successful in making a sale of 105 lugs of juice grapes at \$1.00 per lug. The money secured from the sale of the 105 lugs of grapes in question was on the evening of October 25, 1930 turned over to Acting Special Agent in Charge Frank K. Fay.

A conference was had with Mr. Fay and Agents Miller and Little, who conferred by telephone with Mr. Irrgang concerning an offer made by one Russo, a grape vendor on the team tracks of the Chicago and North Western Railway Company to Agents to buy the entire car at a price of \$100 to \$150. Agents were advised to accept the offer should it be repeated.

On the morning of October 26, 1930 at 7:35 AM. Agents' car was found in the identical position as on the previous day with reference to the other cars hereinbefore mentioned.

It was found, upon arrival at the yard, that the car was initialised and numbered PFB-11782 contained a padlocked padlock. The car had not been opened. At about 10:30 AM. Subject Romano appeared with the owner of the car whose name it was subsequently learned -- to A. Beaduta, 1810 Franklin Ave., Chicago. It was noticed that while Beaduta broke the seal Subject Romano opened the padlock. Subject Romano was followed right along by his escort and by Aspago. From the time that the car was opened to about 11:30 PM. Subject Romano was almost continuously in and about the car, may it be questioned. His escort and Aspago were with him. It was noticed that the grapes moved very fast and that new grapes of different qualities were substituted for those sold. Subject Romano was continuously in Agents' presence but never spoke to them. His escort was at times leaning against Agents' car, but never said a word to them. The most communicative of the trio was Aspago, who was engaged in conversation with Agent Palmera as to the grape business, told Agent his name and also gave Beaduta's name. Beaduta's address was copied from a truck seen on many occasions in the vicinity of car PFB-11782.

Subject Romano observed Agents doing considerable business and taking in quite a large amount of money. He did not appear to be disturbed or upset about the matter, merely looking on and saying nothing. While in conversation with a man unknown to Agents Romano was heard by Agent Palmera to say "Some S. B. around here are selling for a dollar or less". It is unknown as to whether he had reference to Agents who were at that time selling grapes at \$1.00 and \$1.05. Agents sold 25 cases of grapes at \$1.00 per case, from 7:35 AM. to 12:30 PM; also during that time, 34 cases at \$1.05; 80 cases at \$1.05 and 125 cases at \$1.00, or a total of 287 cases at a total sum of \$393.85. The said amount of money was on October 26, 1930 turned over to Acting Special Agent in Charge Frank L. Fay.

On the morning of October 27, 1930 at 7:30 AM. Agents' car was located between a car initialised and numbered MHT-22316, in charge of Anthony Mirabelli, and American Refrigerator Transport Co. #17155, the latter containing seedless grapes. The location of Agents' car was very poor inasmuch as it was out of the beaten path. Due to the situation, Agents conferred by telephone with Acting Special Agent in Charge Frank L. Fay who suggested that they do the best they could. In the meantime a railway employee who approached Agents to collect demurrage charges for Saturday, October 25th and Monday, Oct. 27th (no charges for Sunday), inquired as to the business conditions and upon being informed that they were not so promising he suggested that the entire lot be sold to some dealer.

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Agent Dillilo requested him to tell on Agent should he know of anyone who would purchase the entire lot. About one half hour later subject Romano and another Italian man, unknown to Agents, walked up to Agent Dillilo and stated that the Bailey Brothers had told him their agent would sell the balance of the juice grapes to some dealer. He stated that he was a dealer and would contemplate purchasing the balance of the grapes if they were satisfactory. Both Agents Dillilo and Miller examined the grapes, tasted them, squeezed them, handled them and finally said that Agents were badly stung and offered to buy the balance of the grapes at 30 cents per box. Agents objected to the price, whereupon he stated that he could throw a nickel more in and make the price 35 cents per box. He explained that the grapes were bad, but that he had various cars of grapes on the tracks, that he could divide the grapes purchased from Agents among his other cars and thus sell them with the better grapes; his offer was again rejected and he went away. He returned shortly, however, stating that he would pay 45 cents per lug for the grapes. He was, however, discouraged by his companion who said that 45 cents per lug was too much. Subject Romano did suggest that Agents think the matter over and give him a reply by 4 PM. In the meantime Agents made two sales of 75 lugs at 30 cents per lug and 36 lugs at 35 cents per lug, respectively or a total of 129 lugs for \$113.40.

Anthony Mirabello, who had seen Agents confer with Tony Romano inquired as to what Romano wanted of Agents. It was explained that Agents decided to sell the remaining 520 lugs of grapes to one dealer and informed Mirabello that Subject Romano had offered only 45 cents per lug. Mirabello informed Agents that Tony Romano is a millionaire engaged in a liquor and gambling business and that this was the first year he appeared on the juice grape tracks as a grape vendor; that he is an "S. S." and no grapes should be paid to him at 45 cents per lug. Anthony Mirabello further stated that he knew of a man who could buy the grapes at a more reasonable price and introduced Agents to Joe Caruso who has been dealing in grapes for many years. Joe Caruso at first offered Agents 75 cents per lug for their grapes, but finally, after Agent to some dickering, stated that he would buy the 520 lugs of grapes for not more than 30 cents per lug. The sale was consummated, the bill of sale which Agent Dillilo, as Joe Roman, received from the U. S. Fruit Auction Company was turned over to Mirabello, who for Caruso, paid Agents the amount of \$416.00, representing the sale price of the 520 lugs of grapes. The said money was turned over to Special Agent Albert Miller, together with the amount of \$113.40 secured from individual sales effected during the morning of October 27, 1930.

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From the \$665.00 in currency received from Agent Miller the following disbursements were made by Agent Dilille:

Oct. 25, 1930 - Freight charges	\$15.00
26 " " 2 boxes	1.00
26 " " 1 hatchback	1.00
27 " " 2 days carriage fees to SWW Ry	1.00
Oct. 27, 1930 - Balance turned over to Acting Special Agent in Charge	\$638.00
Total disbursements	\$665.00

Total amount of currency received from
Acting Special Agent in Charge, J. E. Day \$665.00.
Amount due Agent Dilille \$0.00.

Resuming the various sales made by Agents Palmer
and Dilille from October 25th to October 27th, 1930, the following
is submitted:

Oct. 25, 1930 -	105 lugs	•	\$1.00	\$105.00
26	25	"	1.00	25.00
26	25	"	1.05	26.15
26	24	"	1.05	25.70
26	20	"	1.05	21.00
26	120	"	1.00	120.00
27	25	"	.50	12.50
27	24	"	.50	12.00
27	50	"	.50	25.00
Total	1041			\$398.50

The difference between the number of cases received (1040) and that of the cases accounted for (1041) is due to the fact that Agents, through error, delivered to one of the buyers 33 cases of grapes instead of 34, receiving payment for 34 cases.

It may be of interest to note that dealers engaged in the grape business for years explained the presence of water and the lack of sugar in Agents' grapes by stating that the vineyards were irrigated too often and that the growth of the said grapes took place in shady fields.

It may be also of interest to note that the apparent failure to show profit in the business venture was not only due to the quality of grapes, but was also due to the fact that Agents had no friends who might have bought from them - as other vendors had - in addition to the fact that Agents' experience in such a line of business was and is limited.

The following investigation has been conducted by Agents Miller and Little since the reference report was submitted.

On October 24, 1930 Mr. Harry Stern, Assistant to Mr. Charles W. Irrgang of the U. S. Fruit Auction Company, called at the Chicago Bureau office and in response to questions previously by Agents Miller and Little, but kept in detail, signed statements hereto attached and marked Exhibit "A", the facts as they were known to Mr. Stern in connection with the marketing of juice grapes at the Chicago terminals. It will be noted from this statement, Mr. Stern was in possession of no first hand information concerning the collection of tribute by Subjects or their representatives from juice grape vendors. Mr. Stern stated that should he at any time become informed of any facts bearing directly upon the investigation now in progress he will communicate same at once to Mr. Irrgang, who will in turn notify this office.

On Sunday morning, October 26, 1930 Agent Little made a trip to the juice grape tracks of the Chicago and North Western Railway Company and the Chicago, Milwaukee, St. Paul and Pacific Railroad Company and found the conditions under which grapes are sold by peddlers from the cars as hereinbefore described. Agent did not observe either of Subjects engaged in any solicitation from peddlers and no business was being conducted on the Milwaukee tracks, all of the activity being confined to the North Western grape tracks. Numerous groups of Italians were actively engaged in the solicitation of prospective buyers and it appeared to be the practice for a group of Italians to immediately surround a prospective buyer as soon as he appeared in the vicinity of the tracks and escort the buyer to the cars owned by the group. Neither of Subjects was observed by this Agent on the tracks during the time of the visit.

On Sunday evening, October 26, 1930, Agents Miller and Little conferred with Mr. Charles W. Irrgang at the Medina Athletic Club, 805 N. Michigan Ave. Chicago, with particular reference to the progress which had been made by Agents Dilillo and Palmer in connection with the sale of the carload of juice grapes obtained Irrgang through the Auction Company. Agents informed Mr. Irrgang of the fact that Subject Romano had been active in the sale of a carload of juice grapes on Saturday and Sunday, which car was located on a track directly opposite to the car which was then being sold by Agents Dilillo and Palmer. Mr. Irrgang seemed to regard this fact as significant and stated that heretofore Romano has not personally engaged in the sale of juice grapes, leaving such details

to a subordinate. Mr. Irrgang also stated that in view of the fact that F. C. Bentel, Assistant Claim Agent of the Chicago and North Western Railway, has in the past been a close associate and friend of Joe Aiello who was killed in Chicago on Oct. 23, 1930 and was likewise very friendly with Joe Tarranya and is at present in close daily contact with Subject Schraiberg and Romano. It is Irrgang's opinion that Mr. Bentel could not be trusted with any information pertaining to the under-cover investigation now in progress by this office, and this phase of the matter will be carefully borne in mind and further contact will not be had with Mr. Bentel.

Mr. Irrgang also stated that on October 24, 1930 while he was at the juice grape tracks of the North Western, Subject Schraiberg informed him that he desired to speak to Mr. Irrgang on a confidential matter and to this end requested a private interview. Accordingly Mr. Irrgang stated he informed Mr. Schraiberg that he would see him at his (Irrgang's) office on Tuesday, October 26th. It is Mr. Irrgang's thought that at the conference on Tuesday, Subject Schraiberg will either advance some kind of proposition in connection with the marketing of juice grapes or will definitely threaten Mr. Irrgang and attempt to dictate the part to be played in the future by the Auction Company in connection with the sale of juice grapes. Mr. Irrgang stated he based his opinion upon the statement made by Schraiberg that the "organization", meaning the Capone gang had instructed Schraiberg "to get rid" of Fred King, one of Schraiberg's lieutenants and that Schraiberg stated he would dismiss King on the morning of Oct. 26, 1930 and that in the future he, Schraiberg would be in complete charge of operations on the North Western tracks for the "organization".

Mr. Irrgang was informed by Agents of the progress made to date in the sale of the carload of juice grapes and recommended that the remainder of the carload be disposed of at whatever price could be obtained and that so soon as the present car had been sold he would supply another car since it is his conviction that Subject Schraiberg or Subject Romano will sooner or later interfere in some manner with Agents Dilillo and Palmera in the sale of juice grapes.

Mr. Irrgang stated that he has received information during the past week to the effect that six carloads of juice grapes were placed on the North Western Railway tracks which cars had been consigned to a brother of Pasquale Prestigiacomo, the last named being a close friend and associate of Joe Aiello and from whose home Aiello emerged on Oct. 23, 1930 to be shot down by machine guns, and that Subject Schraiberg had informed Mr. Irrgang personally that these six cars would be "turned off the track" and no sales would be permitted to take place from those cars.

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Mr. George Miller said that he and his company are prepared to assist the Bureau in every way in the further conduct of this investigation and to this end will furnish parlor cars, and supply whatever financial assistance is required in order to bring about the successful conclusion of the matter.

The following is a statement of receipts and expenditures of all monies in connection with the sale of the carload of juiced grapes by Agents Dilillo and Palmer.

DEPOSITS. In joint checking account of Agents Miller and Little, trustees, in the National Bank of the Republic in Chicago, Illinois.

Oct. 21, 1930 - Check of U. S. Fruit Auction Co., dated
10/21/1930 \$500.00

Oct. 23, 1930 - Check of U. S. Fruit Auction Co., dated
10/23/1930 100.00

Oct. 27, 1930 - Cash received from Acting Special Agent
in Charge, F. X. Fay 396.85

Oct. 27, 1930 - Received from Special Agents Dilillo:
Cash 556.40
Cash 41.00
Total \$1670.85

DISBURSEMENTS. From joint checking account of Agents Miller and Little, trustees, in the National Bank of the Republic in Chicago, Illinois.

Oct. 28, 1930 - Cash withdrawn by check and given to
Agent Dilillo 580.00

Oct. 29, 1930 - Total 75.00
Total \$654.00

RECAPITULATION.

Total Deposits	\$1670.85
Total Withdrawals	665.00
Total Cash in bank 10/27/1930	\$1005.85

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before arrangements are made for the call or another
carload of juice grapes. The Bureau will be advised by telephone
by the Special Agent in Charge of the progress made to date and further
instructions in this connection will be requested.

UNDEVELOPED LEAD.

CHICAGO. Interview will be had with Mr. Irrgang on
Tuesday, Oct. 28, 1930, following his conference with Subject Schreiber.
Obtain from Mr. Irrgang a written statement which he is now preparing,
setting forth in detail, such acts in connection with the juice grape
situation, as are known to Mr. Irrgang personally. Further interview
in connection with leads set forth in reference report will be held
in abeyance until such time as the undercover investigation on this
matter shall have been concluded.

ADDENDUM.

Since the foregoing report was dictated, Mr. Charles
W. Irrgang, the original complainant in this case, has furnished the
Chicago office with a signed statement, consisting of three pages,
the original of which is attached hereto, marked Exhibit "B" and
photostatic copies whereof are likewise attached to each copy of this
report. The statement sets forth such facts as are known to Mr.
Irrgang and which bear upon the salient features of this investigation
and was furnished at the request of this office.

- PENDING -

STATEMENT OF MR. PERRY STERN, AUCTIONEER FOR
THE U. S. FRUIT AUCTION COMPANY

QUESTION. Mr. Stern, do you give evidence to the Committee? You are doubtless familiar with the investigation of certain grape situation in Chicago, which is now in progress before the Committee. Will you admit such facts as are within your knowledge concerning the sale and marketing of juice grapes on the railroad yards and tracks of Chicago, commencing with the year 1928? How long have you been connected with the U. S. Fruit Auction Company?

ANSWER. As an auctioneer, for the last five years; I am now connected with the company as it is now formed, for the last two and a half years.

Q. You are familiar with the situation on the various tracks where grapes are sold?

A. Fairly so, yes.

Q. You are more familiar with the conditions as they prevail inside the Auction Company than on the tracks adjacent to the Auction Company?

A. I am fairly familiar with every track where they are sold in addition to the Auction Company itself.

Q. In connection with the sale of grapes at auction, where has this business been conducted for the past three years?

A. In order to have a proper distribution of the grapes and have liberal supplies on the various tracks sold through auction, we found it necessary to have sales at the various railroad yards and we sold at the Clinton Street Team Track of the Northwestern three times weekly during the juice grape season in 1928, at the Santa Fe at 22nd Street five times weekly and at 27th and Ashland five times weekly, all during the year 1928. In 1929, we sold only at the 27th and Ashland team tracks known as "the Auction Terminal tracks."

Q. Did you sell grapes during the year 1929 on the tracks of the Chicago and Northwestern?

A. No, we did not.

Q. Explain why juice grapes were not sold on the Northwestern Auction tracks during the season 1929.

A. At one time during 1928 while acting in the same capacity I am now, as assistant to Mr. Irrgang, in the handling of the juice grapes, we encountered a bit of difficulty down on the Northwestern track. They had what they called a "clique", or at least it was so considered, a number of fellows

Exhibit A

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who were very friendly with me and I was very friendly with them, and we discussed the auction with them daily and explained our position. They and ours were displayed on their tracks. Every lot had been sold. They complain that our selling on the Northwestern track is in violation of the retail trade would conflict with their business in this way. They thought that by purchasing carload lots at a certain price they were entitled to a certain margin of profit. They thought the retail trade felt that if they could buy a car at \$1.95 per lug their argument was that the retailers also felt they should not pay over \$1.00. Of course, that was our real argument with them. He tried to prove to them that it was not the retailer's business what they were paying and as long as they displayed salesmanship they should get whatever price they asked us took as it was within reason.

Q. Who were the parties?

A. I mean car-lot buyers.

Q. And the principal car-lot buyers were who?

A. On the Northwestern track, Joe Ferrara was one party. There was a fellow associated with him - first name Tony - Tony Torrentino, known as Tony "Butch." Ferrara's party was the heaviest buyer on the track. There was a little fellow by the name of Joey - I don't know his last name - and Joe Caruso, but the heaviest buyer of these was Joe Ferrara. At times it appeared as though Joe Ferrara did the buying for a number of the other independent parties on the track and the impression that it left with me, at least with me, was that Joe wanted to buy in order to eliminate the outside bidding from others and buy at a more reasonable price.

Q. Who was Joe Ferrara particularly known to be allied with?

A. Of course, I never heard it said but it has been known that Ferrara was associated with Tony Lombardo and Joe Aiello, both of whom are now dead.

Q. You did no business at all on the Northwestern Tracks in 1929?

A. No, we did not.

Q. Was that at the request of Ferrara?

A. At one time during 1928, while I was on the Clinton Street team track or as I arrived on the team track, I saw a gathering of about twelve or fifteen Italians at the intersection. I didn't know just what was going on but I walked over to a sandwich stand and bought a sandwich. Nobody spoke in English but all of it was in Italian but I overheard Irrgang's name mentioned and I overheard the auction mentioned and my name mentioned and it sort of put the fear of God into me because I saw no one inspecting our fruit. We had about fifteen or twenty cars on the track at the time

and the fruit displayed as usual. I took the sandwich and walked into the team track office at Northwestern and sat there for a few minutes until I had both feet on the ground again. I didn't say or do anything to no yet. Shortly afterwards, Mr. Irrgang came in. He said, "I believe Mr. Frank Nellis was with you at the time." I said, "Yes, Mr. Irrgang's car and said, "Mr. Irrgang, I don't know what there is in the air here today but I sense some trouble. He wanted to know what I meant and I said, "I can't explain further except that it's going to be boycotted." He asked for further details and I said I was just as ignorant as he was except that I heard these posted mailing boxes mention these names."

Q. Was Ferrara in the group?

A. Ferrara was in the group and all the other fellows were boys from the track, regular men who operate from the track but enough to make up a group. That day most of the cars, if I remember correctly, were bought there by Jewish dealers from other tracks or bought in by Mr. Nellis. Unless I am mistaken, it was a Friday sale. I didn't show up on the track the following Saturday, contrary to my usual custom, to make the rounds of the tracks every day, Saturdays and Sundays to make sure just how the fruit was moving. That Saturday I just wasn't feeling right. I didn't have enough nerve to show up on the track. Sunday morning, I decided to go down the usual way and I walked down and met Joe Ferrara and exchanged greetings the usual way and wanted to know what was wrong and he said, "oh, nothing, everything will be all right by Monday." I said, "Joe, I wish you would explain what happened." He said, "The boys don't want you to sell down here." It would interfere with the business. That was the extent of his explanation. But to go a little further, we started to unload a lot of other stuff and he accused me of making the statement to some one that every time I go to the Northwestern Railroad yards I was afraid of being shot and I corrected Joe by saying that I never made such a statement and told this to Joe on my word of honor as a man but did tell him that the statement I made at one time in answer to a question as to where I was going was that I informed the party asking the question that I was going to the "shooting gallery," meaning the Northwestern tracks and explained to Joe the reason I made that statement was because a couple of days ago there was a shooting match on the track and two men were wounded and that phrase of "shooting gallery" was not my own but had been used by some one else.

Q. Had those tracks the reputation for being a bad spot?

A. It has been said that they were controlled for a number of years by the gang.

Q. Had you ever received from Aiello checks in payment for grapes which you sold to Ferrara?

A. Not to my knowledge, although I would not have occasion to see them.

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Q. Have you sold any grapes on the Northwestern tracks this year?

A. Yes, we have. In fact, we sold five cars. We sold one car to Sam Russo; two cars on the same day to Joe Caruso. On Thursday, July 21st was yesterday, we sold one car to Joe Russo and two cars to Frank King. We sold some the week before and the week before that.

Q. Did you personally sell those cars?

A. No, Mr. Irrgang. The cars were sold at the terminal yards and diverted to the Northwestern tracks to these buyers.

Q. They were diverted on their orders?

A. Yes.

Q. But no cars had been sold by you or Mr. Russo on the Northwestern tracks this year?

A. We did not operate on the Northwestern tracks or any tracks except the Produce Terminal. As far as the Auction Company is concerned, if we felt for a moment that the fruit business was hurt by selling through auction we would immediately quit, but the Auction Company has felt that the auction method is the only way of selling because other commodities have proven a success.

Q. Do you know anything about the arrangements or conditions which prevail on the Northwestern tracks this year?

A. Very little, except that I know, of course, that fellows have made their appearances on the track who have never been there before.

Q. For example?

A. Manny Schraiberg and one other fellow by the name of Tony Romano. Manny, of course, has been very active in other years to my knowledge up to this year and has been quite a factor in the watermelon business. This other party I have never seen in my life up to the time of the grape business and the first time I met him was through Manny. I have known Manny for many years and have always been friendly with him. In fact, it was rather a shock to me that I found he was on the Northwestern tracks and that he was supposed to be a trouble-maker.

Q. Do you know anything about the methods which are alleged to be employed by Schraiberg and Romano?

A. No, I don't know of anything definite. I say that honestly. It has been said that they were going to adjust and levy tribute to a certain amount on each car.

Q. How did that come to your attention, Mr. Stern?

A. From the general talk of what is supposed to have happened in the past and from indirect statements from jobbers and brokers. But, I have gone out of my way to find out how everything is going along at the Northeastern track, and I have asked "Is everything running along smoothly?" "Oh, yes." "Having any trouble?" "Oh, not at all." At one time I went to the Northeastern track on a Sunday morning, after I had met Romano. This Sunday morning I didn't have my Sunday clothes on but my working clothes, just a cap and suede jacket. There were only twelve cars open on the track and there was this fellow Romano, and a great big Cadillac, with a fellow in it who was asleep, and I walked up to Romano in a friendly way and called him by his first name and said "Hello" and he said, "Let's see, I didn't meet you before, Mr. Stern?" And I said "Yes." I made an apology for my appearance and clothes and then I explained that it has been a custom of mine in the past to visit the tracks daily, including Sunday, to ascertain the movement. We entered a discussion, at which time Romano said, "You know, this fellow Irrgang certainly did the wrong thing by doing what he did." I, of course, immediately confessed ignorance, stating that I knew nothing of what he was referring to and further said that he wanted me to deliver a message to Mr. Irrgang. He said, "Will you deliver my regards to Mr. Irrgang and just tell him to mind his business and we'll mind ours. We don't care if he makes a million. Let us make whatever we want. We're carrying on a legitimate business, just as legitimate as your auction business, and nobody can prove that it's anything else but legitimate."

Q. Just when was that?

A. On Sunday morning, I can't give the exact date, but it must be three or four weeks ago.

Q. Was it before or after Mr. Irrgang's trip to Washington?

A. After.

Q. Immediately after?

A. Yes, I met this fellow the day Irrgang returned from Washington. I met him on the platform - that was on a Friday - and I saw him the following Sunday.

Q. That was Friday, September 19?

A. Oh no! Oh yes! It was Sunday, the 21st.

Q. Do you suppose he was referring specifically to the visit made by Mr. Irrgang to Washington?

A. I do. That was what he had in mind, although I didn't know that Mr. Irrgang was in Washington.

Q. Did he make any threats?

A. No, he simply said to give me, in gang the police, and so forth, that he had a little bit of liquor under his belt at the time, and when I did not know the fellow I was a bit uneasy at the time, but since we have become very friendly and the like story and carry on a very nice conversation with him.

Q. Have you ever heard any threat on the part of Rosendo or Schraiberg or any of their assistants to collect tribute from any of the peddlers or to force any peddlers to leave the Northwestern tracks because they refused to meet the demands of the gang?

A. I never have.

Q. Have you no information?

A. I have no definite information.

Q. Did you meet Mark T. Adamson and Manny Schraiberg on that same Sunday, September 21 on the 21st and Archer team tracks?

A. Yes... I met him on a - I don't remember whether I met him there on Sunday but I did meet Adamson and Schraiberg on 21st St. on a Saturday afternoon very late - that may have been the 20th, but I remember I met him very late one Saturday, close to five.

Q. Did you have conversation with him?

A. I walked up in a natural and normal way and exchanged greetings and wanted to know how things looked and how the market was and nothing further transpired except a normal conversation along general lines and nothing concerning business.

Q. During this conversation which you had with Mark T. Adamson and Schraiberg just what was said?

A. Adamson was not present when I had the conversation with Schraiberg. He just happened to step aside and Schraiberg made a statement something to the effect that something ought to be done to keep these California Farmers away from the tracks and from peddling and allow the peddling to be done by these local fellows, or something to that effect, but it was along that line, and I, of course, argued with Schraiberg that I didn't feel anything like that could be done to control the offerings as he suggested because, after all, grapes were grown and not manufactured and if the supply was there they would have to be disposed of, and that the disposition could not be regulated or controlled unless it was by one centralized body to be controlled by the western end or the local authorities, such as a "Control Board," which I thought they were doing at the time.

Q. Do you know whether or not there is any close association between Mark T. Adamson and Romano and Schraiberg and Freddy King on the Northwestern?

A. I don't know. I can't say definitely. I never see Mark Adamson. I see his man Bill Boardon daily and I see a good portion of my stuff handled by these men.

Q. Let me ask you this: Are any grapes purchased at your auction by Schraiberg or Romano or King or Rubin?

A. Yes. King purchased one car yesterday and two cars last week - or was it the week before - I believe it was the week before, and Rubin has been purchasing fruit daily from the auction. Nathan Rubin, of course, operates at three places, over at 27th and Ashland and the Santa Fe track and things on the Northwestern.

Q. Is he a large peddler?

A. Yes, he specializes right now in juice grapes.

Q. Is he closely allied with Manny Schraiberg?

A. To my knowledge he always has been, from the watermelon business.

Q. Schraiberg, Romano and Rubin are all connected with the Northern Fruit and Produce Company?

A. We do not know. I think the Northern Fruit and Produce Company have paid for cars purchased by King.

Q. You don't know who the officers of that company are?

A. Rubin was one and Wolf another. - a very fine chap, quiet.

Q. Is that company a corporation?

A. I think so.

Q. Do they handle all fruit?

A. They handle watermelons and apples during season, of course, and probably peaches and speculate on different commodities. They have been in existence for a number of years and I have always considered Rubin a very fine chap.

Q. You don't know of any one that has paid any tribute to any one down there on the Northwestern track?

A. No. Absolutely not.

Q. The only information you have is from rumors that come in a round-about way?

A. Yes.

Q. Do you know of any buyers who have been forced to leave business from the Northwestern tracks to some other track in order to market their grapes? Has any peddler ever told you that he had been forced to leave?

A. No, I have never been told.

Q. Have you seen any gun-play over there on the Northwestern tracks this year?

A. No, not this year.

Q. How is the general situation over there at the present time as far as you have been able to observe?

A. Business has been fairly well distributed, I believe. I don't believe that King and Schraiberg have been doing half the business that Ferrara ever did. Ferrara, of course, was an old established fellow on the track and had a lot of trade and people came to him from force of habit, and it also means a lot of solicitation away from the yards. I believe in one way this accounts for their falldown in business. I know yesterday these people did not have more than three cars open, which was negligible. There are alone to 100 - 150 to 200 - cars open on the track on the Northwestern. The track is rather a big one. It is supported by mostly one type of Italians, mostly Sicilians, whereas the other tracks have Italians from the north as well as from the south, known as Genoese, Milanese, Tuscans and Sicilians.

Q. At tracks other than the Northwestern there is a large percentage of Jewish peddlers, is there not?

A. No. On the Rock Island team track they have some. On the Santa Fe there are a few, this being a very small percentage. On the auction tracks, they are in a great majority.

While at the Northwestern team track office the day before yesterday, Oct. 28, - I merely walked in to get a little heat - Schultz, the team track man, informed me that two men came in to get possession of a car of grapes that was purchased at the auction. Schultz said that he could not give them this car because he did not know the men; they claiming they were from Pittsburgh. He sent them back to the auction to get a delivery order and asked me if I knew who the men were. I said I did not remember. I can't remember every sale at the auction. F. C. Beutel was in the office at the time the question was asked. I, of course, investigated in our office later and wanted to know whether they returned there for a delivery order. They had possession of the car yesterday afternoon and they were trying to do business on the tracks.

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